Tiffany & Co. Limited

(Registered Number: 6412897)

Annual Report and Financial Statements
For the period ended 31 December 2021

Tiffany & Co. Limited
Strategic Report for the period ended 31 December 2021

The directors present their annual report and the audited financial statements of Tiffany & Co. Limited ('the Company') for the period ended 31 December 2021.

Principal activities and Business Review

The Company's principal activity during the period was the sale of jewellery and related luxury goods.

The Company reported turnover during the period under review of £144,420,390 (January 2021: £135,599,049), a gross profit margin of 44% (January 2021: 39%) and a net operating profit margin before tax of 7% (January 2021: 5%).

Tiffany & Co. Limited's ('the Company') profit for the period was £8,647,842 (January 2021: £4,970,390). A dividend of £nil was declared and paid during the period (January 2021: £nil). As at 31 December 2021 the company has net assets of £94,497,257 (January 2021: £85,624,970).

Post to the acquisition by LVMH on 7 January 2021, the Company changed its accounting reference date to 31 December to align with LVMH. Accordingly, these financial statements are prepared for 11 months period ended 31 December 2021. The comparative amounts presented in the financial statements are not entirely comparable.

Future Developments

The directors do not foresee any significant changes in the principal activities of the Company going forward.

Going Concern

On the basis of their assessment of the Company's financial position and resources and with the financial support from Tiffany & Co., the directors believe that the Company is well placed to manage its business risks.

The directors have considered all current information available about the business and evaluated cashflow forecast for the next 12 months, based on this assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In their assessment of going concern, the directors have considered the impact of COVID-19 on the business.

In forming its assessment, the directors also took into consideration that the Company relies on Tiffany and Company for product, which also bears inventory obsolescence risk. The directors have also made enquiries with group management regarding ongoing financial support for the Company from Tiffany & Co. and have received documented commitment of continued support via letter of support from Tiffany & Co. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Post Balance Sheet Event

At the end of February 2022, the ongoing political tensions between Russia and Ukraine escalated into a conflict involving Russia's military invasion of Ukraine. The world responded to the Russian's invasion by imposing extensive sanctions on Russia and curbing business cooperation. We consider these matters to be non-adjusting events after the reporting period.

Principal Risks and Uncertainties

General Economic Risk
The Company's revenue is derived from the sale of luxury goods. In the event that low or negative growth occurs in the economy, discretionary spending on such luxuries may reduce. Although the factors which contribute to this risk are outside of the Company's control, the directors feel that the Company's exposure to this risk is less severe than many of its competitors due to the breadth of the product assortment it offers.

Foreign Exchange Rate Risk
The Company effects substantial transactions with Tiffany and Company (a New York Corporation) and is therefore exposed to the risk that the sterling to US dollar exchange rate may fluctuate to its detriment. The Company seeks to mitigate this exposure by entering into forward contracts. Information on how the LVMH Group's foreign exchange risk is mitigated, including policies on the LVMH Group's use of forward contracts, can be found in the consolidated financial statements of LVMH Group (see Note 22 – Ultimate Parent Undertaking and Controlling Party).

Brand Protection
The Company is exposed to the risk that its brand may become denigrated by the sale of counterfeit merchandise. The Company protects itself by promoting brand awareness with both internal and external customers.

Financial Risk Management

The Company's operations expose it to a variety of financial risks that include the effects of credit risk, foreign exchange rate risk and interest rate risk. The Company has in place a risk management programme that seeks to manage the financial exposures of the Company by managing foreign exchange liabilities and ensuring a strong control environment surrounding sales of merchandise on credit.

The Company is subject to the LVMH Group's policies to ensure proper monitoring and control of financial risk. The policies are set by the LVMH Group and are implemented by the Company's finance department. The Company adopts controls reflecting differences in local regulation, systems and the operation of the business as appropriate.

Price Risk
The Company has no exposure to equity securities price risk, as it holds no listed or other equity investments.

Interest Rate Risk
The Company has interest bearing assets which are solely held with top tier financial institutions to minimise counterparty risk. These cash balances earn interest at a variable rate. The Company does not have any interest bearing liabilities.

Foreign Exchange Risk
The Company is exposed to foreign exchange risks in the normal course of business, principally on the purchase of products for resale denominated in US dollars. The Company seeks to mitigate this exposure by entering into forward contracts and the fair values of these forward contracts are reflected in the Company's financial statements at year end.

Principal activities and Business Review (continued)

Key Performance Indicators

The key performance indicators used to assess the performance of the business are summarised in the table below.

	11 months ended 31 December 2021	12 months ended 31 January 2021
Turnover	£144,420,390	£135,599,049
Profit	£8,647,842	£4,970,390
Gross profit margin	44%	39%
Net operating profit margin	7%	5%

Statement of the Directors in performance of their statutory duties in accordance with s172

The Company's key strategic priorities are to:

- Amplify an evolved brand message.
- Renew the Company's product offerings and enhance in-store presentations.
- Deliver an exciting omnichannel customer experience.
- Strengthen the Company's competitive position and lead in key markets.
- Cultivate a more efficient operating model.
- Inspire an aligned and agile organisation to win.

By pursuing these key strategic priorities, management is committed to the following long-term financial objectives:

- To achieve sustainable sales growth.
- To increase retail productivity and profitability.
- To achieve improved operating margins, through both improved gross margins and efficient expense management.
- To improve inventory and other asset productivity and cash flow.
- To maintain a capital structure that provides financial strength and the ability to invest in strategic initiatives.

The Company's success depends upon its people and their effective execution of the Company's strategic priorities. The Company's management strives to motivate and develop employees with the core competencies and adaptability needed to achieve its objectives.

The Company endeavours to foster strong relationships with its key stakeholders by publicly disclosing regular reports as required by applicable law.

Corporate social responsibility has long been a priority of the Company. The Company strives to protect the interests of our shareholders, customers, employees and other stakeholders through responsible business decisions that reflect the integrity of the TIFFANY & CO. brand in both the short- and long-term; enhance the communities in which we source, operate and sell our merchandise; improve our environmental performance; and promote responsible practices within our supply chain and our industry. Underscoring the importance of sustainability and corporate social responsibility to the Company, the Board of Directors of Tiffany & Co. established a Corporate Social Responsibility Committee in 2009.

The Company has a long-standing policy governing business conduct for all Company employees worldwide. The policy requires compliance with law and avoidance of conflicts of interest and sets standards for various activities to avoid the potential for abuse or the occasion for illegal or unethical activities.

Statement of the Directors in performance of their statutory duties in accordance with s172 (continued)

This policy covers, among other activities, the protection of confidential Company information, insider information, the acceptance of gifts from those seeking to do business with the Company, the giving of gifts or other items of value to third parties, processing one's own transactions, protection of computer passwords, political contributions made through the use of Company funds, prohibition of discrimination or harassment, theft, unauthorised disposition or unauthorised use of Company assets and reporting dishonest activity. Each year, all employees are required to review the policy, report any violations or conflicts of interest and affirm their obligation to report future violations to management.

On behalf of the Board

M Moore
Director
15 December 2022

Tiffany & Co. Limited
Report of the directors for the period ended 31 December 2021

The directors present their annual report and the audited financial statements of Tiffany & Co. Limited ('the Company') for the period ended 31 December 2021.

Future Developments

Refer to Strategic Report.

Financial Risk Management

Refer to Strategic Report.

Dividends

No dividend was declared and paid during the year (January 2021: £nil).

Directors

The directors of the company who were in office during the year and up to the date of the signing of the financial statements were:

A Ledru (appointed 18 June 2021)
C So (appointed 18 June 2021)
G Haig (appointed effective 6 January 2022)
M Moore (appointed effective 25 May 2022)
B West (appointed 18 June 2021; resigned effective 28 February 2022)
P Galtie (resigned 15 October 2021)
M Jacheet (resigned 18 June 2021)
L Harlan (resigned 18 June 2021)

Political donations

During the year, there were no political donations.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from disability.

Employee engagement statement

Consultation with employees has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through Tiffany Group weekly update e-mails, intranet, and quarterly meetings.

Statement of engagement with suppliers, customers and others in a business relationship with the company

The Company endeavours to foster strong relationships with its key stakeholders by publicly disclosing regular reports as required by applicable law.

Streamlined energy and carbon reporting

For over a decade, Tiffany & Co. and its subsidiaries, including Tiffany & Co. Limited (the "Company", and collectively with Tiffany & Co. and its subsidiaries, "Tiffany") have been committed to regular and transparent reporting on sustainability progress. This year was the first year in which the Company was required to comply with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

During the fiscal period ended 31 December 2021, Tiffany & Co. globally saw an 8% decrease in electricity intensity per square footage in its retail stores, compared to 2018 levels. Tiffany also implemented, and plans to continue implementing, energy efficiency improvements in all new construction, expansion, renovation and interior fit-outs.

The Company runs a central distribution centre, an office, and eleven retail locations in England, United Kingdom. The Company does not operate a car fleet and uses third party couriers for the delivery of most goods. The Company leased one company vehicle used for internal purposes only, such as, but not limited to, the transfer of goods and supplies between company locations within the United Kingdom.

The Company's GHG emissions and energy use data for period 1 Feb 2021 to 31 Dec 2021 ("FY 2021"):

	UK and offshore (location-based)	UK and offshore (market-based)
Energy consumption used to calculate emissions: /kWh [mandatory]	1,424,976	1,424,976
Emissions from combustion of gas tCO2e (Scope 1) [mandatory]	31	-
Emissions from combustion of fuel for transport purposes (Scope 1) [mandatory]	5	-
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) [mandatory] tCO2e	77	77
Emissions from purchased electricity (Scope 2) [mandatory for location-based; optional for market-based]	262	-
Total gross CO2e based on above - [mandatory]	375	77
Revenue (£)	144,420,390	144,420,390
Intensity ratio: tCO2e gross figure based from mandatory fields above/ e.g. £100,000 revenue [mandatory]	0.26	0.05

Streamlined energy and carbon reporting (continued)

Notes on Methodology:

- Direct and indirect GHG emissions in FY2021 are reported for UK facilities where the Company has operational control.
- The scope of the UK legal entity is all UK locations and stores, excluding offices. The Shard office space is included at 20%, as this is the estimated part of the Shard occupied by the Direct Marketing team (which is considered as part of the scope for the UK legal entity).
- Direct and indirect GHG emissions in FY2021 are reported for UK facilities where the Company has operational control.
- Electricity and natural gas consumption are provided monthly (or as otherwise billed or measured) by the facility utility provider via hard copies of meter-level utility invoices or primary data readings. If no primary electricity or natural gas usage data is available for a given month, consumption is estimated based on the floor area occupied by the Company and the Company's regional average electricity and natural gas use by building type.
- CH_4 and N_2O are converted to CO_2e values using the IPCC Fourth Assessment Report (AR4) Global Warming Potential (GWP) values. Scope 1 emission factors are from US EPA Mandatory Reporting Rule. For Scope 2 emissions, the Company takes a dual reporting approach: location-based factors are from the 2021 publication of UK's Department for Environment, Food and Rural Affairs GHG Conversion Factors for Company Reporting (Year 2019 factors); for market-based factors, the Company purchases unbundled UK REGOs to cover all electricity consumption with renewable energy and applies a zero-emission factor for this electricity consumption.
- The Company calculates global Scope 3 business travel emissions, including air, rail and road transit, and lodging. Carriers of these services are identified in the Company's global procurement files, checked with travel teams, summarised by functional category, and then multiplied by cradle-to-gate emission factors provided by the U.S. EPA Office of Research and Development, Supply Chain GHG Emission Factors for US Industries and Commodities, January 2022. Global Warming potentials (GWPs) are from the IPCC Fourth Assessment Report (AR4), 100-year average. To approximate global business travel emissions for the UK, the global value is normalised by the number of employees based in the UK.

Tiffany & Co. Limited

Report of the directors for the period ended 31 December 2021 (Continued)

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 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.

Tiffany & Co. Limited

Report of the directors for the period ended 31 December 2021 (Continued)

Statement of disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

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

On behalf of the board

M Moore
Director
15 December 2022

Tiffany & Co. Limited
Registered Number 6412897

Independent auditor's report to the members of Tiffany & Co. Limited

Opinion

We have audited the financial statements of Tiffany & Co. Limited (the 'company') for the 11 month period ended 31 December 2021 which comprise statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

Independent auditor's report to the members of Tiffany & Co. Limited (continued)

Other information

The other information comprises the information included in the Strategic report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Independent auditor's report to the members of Tiffany & Co. Limited (continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

Independent auditor's report to the members of Tiffany & Co. Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut off and completeness assertions), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Tiffany & Co. Limited (continued)

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Richard Metcalfe
(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU
Date 15 December 2022

Tiffany & Co. Limited
Registered Number 6412897

Statement of Comprehensive Income for the Period Ended 31 December 2021

	Note	Period ended 31 December 2021 £	Year ended 31 January 2021 £
Turnover	**4**	**144,420,390**	**135,599,049**
Cost of sales	**14**	**(80,946,711)**	**(82,928,214)**
Gross profit		**63,473,679**	**52,670,835**
Other income	**5**	**349,111**	**999,319**
Administrative expenses		**(53,043,458)**	**(47,216,041)**
Operating profit	**6**	**10,779,332**	**6,454,113**
Other interest receivable and similar income	**7**	**-**	**9,959**
Interest payable and similar expenses	**7**	**(6,839)**	**(11,120)**
Profit before taxation		**10,772,493**	**6,452,952**
Tax on profit	**11**	**(2,124,651)**	**(1,482,562)**
Profit for the financial year		**8,647,842**	**4,970,390**
Other comprehensive expense:			
Cash flow hedges			
- Change in value of hedging instrument, net of tax		**194,007**	**(555,850)**
Other comprehensive expense for the year, net of tax		**194,007**	**(555,850)**
Total comprehensive Income for the year		**8,841,849**	**4,414,540**

The results for the period and year ended 31 December 2021 and 31 January 2021 derive entirely from continuing operations.

The notes on pages 18 to 32 form part of these financial statements.

Tiffany & Co. Limited
Registered Number 6412897

Balance Sheet as at 31 December 2021

	Note	31 December 2021 £	31 January 2021 £
Fixed assets			
Tangible assets	13	2,711,315	3,438,979
		2,711,315	3,438,979
Current assets			
Stocks	14	92,274,561	80,373,069
Debtors	15	23,959,816	14,358,788
Deferred tax	16	804,138	691,876
Cash at bank and in hand		22,593,544	13,369,500
		139,632,059	108,793,233
Current liabilities			
Creditors: amounts falling due within one year	17	(47,846,117)	(26,607,242)
		(47,846,117)	(26,607,242)
Net current assets		91,785,942	82,185,991
Total assets less current liabilities		94,497,257	85,624,970
Net assets		94,497,257	85,624,970
Capital and reserves			
Called up share capital	18	2	2
Capital redemption reserve		42,031,968	42,031,968
Other reserves		3,140,931	3,140,931
Cashflow hedge reserve		(357,315)	(581,760)
Retained earnings		49,681,671	41,033,829
Total shareholders' funds		94,497,257	85,624,970

The financial statements on pages 15 to 32 were approved by the Board of Directors on 15 December 2022 and were signed on its behalf by:

MLM

M Moore
Director

Tiffany & Co. Limited
Registered Number 6412897

Statement of changes in equity for the Period Ended 31 December 2021

	Note	Called up Share capital £	Capital redemption reserve £	Other reserves £	Cashflow hedge reserve £	Retained earnings £	Total shareholders' funds £
At 1 February 2020		2	42,031,968	2,602,237	(25,910)	36,063,439	**80,671,736**
Total Comprehensive income for the year		-	-	-	(555,850)	4,970,390	**4,414,540**
Credit relating to equity settled share based payments	**21**	-	-	538,694	-	-	**538,694**
At 31 January 2021		2	42,031,968	3,140,931	(581,760)	41,033,829	**85,624,970**
Total Comprehensive income for the year		-	-	-	224,445	8,647,842	**8,872,287**
Credit relating to equity settled share based payments	**21**	-	-	-	-	-	-
As at 31 December 2021		**2**	**42,031,968**	**3,140,931**	**(357,315)**	**49,681,671**	**94,497,257**

The capital redemption reserve represents a capital contribution on the transfer of assets from Tiffany & Co. (GB).

The cashflow hedge reserve relates to the gain or (loss) on forward contracts that qualify for hedge accounting. It presented net of related tax effects at current corporation tax rate at 19%.

Other reserves relate to the capital contribution in relation to the share-based payments for equity-settled share based compensation schemes in relation to the equity of Tiffany & Co. in which certain UK employees were entitled to take part, prior to the acquisition by LVMH.

1 General information

Tiffany & Co. Limited is a private limited company limited by shares and it is incorporated in the United Kingdom. The address of its registered office 25 Old Bond Street, London W1S 4QB.

The Company's principal activity during the year was the sale of jewellery and related luxury goods.

2 Statement of compliance

The individual financial statements of Tiffany & Co. Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

a) Basis of Preparation

The financial statements are prepared under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical accounting judgements and key source of estimation uncertainty' section of this note.

b) Going Concern

On the basis of their assessment of the Company's financial position and resources and with the financial support from Tiffany & Co., the directors believe that the Company is well placed to manage its business risks.

The directors have considered all current information available about the business and, based on this assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In their assessment of going concern, the directors have considered the impact of COVID-19 on the business.

In forming its assessment, the directors also took into consideration that the Company relies on Tiffany and Company for product, which also bears inventory obsolescence risk. The directors have also made enquiries with group management regarding ongoing financial support for the Company from the Tiffany & Co. and have received documented commitment of continued support via letter of support from Tiffany & Co. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3 Summary of significant accounting policies (Continued)

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Tiffany & Co. Limited is a qualifying entity as its results are consolidated into the consolidated financial statements of LVMH Moët Hennessy-Louis Vuitton SE which are publicly available (see Note 22 – Ultimate Parent Undertaking and Controlling Party).

As a qualifying entity, the Company has taken advantage of the following exemptions:

i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
iii) from disclosing share based payments arrangements, required by paragraphs 26.18(b), 26.19 to 26.21 and 26.23 of FRS 102, concerning its own equity instruments;
iv) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
v) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d) Turnover

Turnover represents sales to third parties through retail outlets in the United Kingdom and sales through the internet to customers across eight European countries.

Turnover excludes value added tax and is presented net of the estimated value of sales returns. Sales to customers through retail stores are recognised on completion of the transaction. Sales through the internet are recognised on acceptance of the merchandise by the third party customers. Sales of stock to other Tiffany & Co. entities are recognised on acceptance of the merchandise.

e) Foreign Currencies

i) Functional and presentation currency

The Company's functional and presentation currency is pound sterling.

ii) Transactions and balances

The Company seeks to mitigate foreign exchange exposure by entering into forward contracts and the fair values of these forward contracts are reflected in the Company's financial statements at year end.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Comprehensive Income.

f) Employee Benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution scheme, as well as share based payments prior to the acquisition.

i) Short term benefits

Short term benefits including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

3 Summary of significant accounting policies (Continued)

f) Employee Benefits (continued)

ii) Defined contribution scheme

The Company contributes to pension schemes for its employees in the UK. The amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting year.

iii) Share Based Payments

The parent company, Tiffany & Co., operated equity-settled, share based compensation schemes in which certain UK employees were entitled to take part. The total amount expensed over the vesting period was determined by reference to the fair value of awards granted and is charged to the Statement of Comprehensive Income on a straight-line basis over the vesting period (four years from the date of grant).

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

i) Current taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

h) Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Leasehold improvements	10-100
Fixtures and fittings	10-20
Office furniture and equipment	10-50

Leasehold improvements are depreciated over the shorter of the remaining period of the lease and the useful economic life of the asset.

3 Summary of significant accounting policies (Continued)

h) Tangible Assets (continued)

Repairs, maintenance and minor inspection cost are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Comprehensive Income.

i) Operating Leases

i) Operating Leased Assets

Leases that do not transfer all of the risk and rewards of ownership are classified as operating leases. Costs in respect of operating leases are charged on a straight-line basis over the lease term.

ii) Lease Incentives

Benefits received and receivable as incentives to sign leases are spread on a straight line basis over the lease term or, if shorter, over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

The Company has taken advantage of the exemption under paragraph 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition (1 February 2014) to FRS 102 and continues to credit such lease incentives to the Statement of Comprehensive Income over the period to the first review date on which the rent is adjusted to market rates.

j) Impairment of Non-financial Assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in the other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

k) Stocks

Stocks are stated at the lower of cost (including related freight and duty) and estimated selling price less cost to complete and sell. In the case of jewellery which is individually registered, its cost allocated on an individual product basis. The cost of other stocks is determined on a weighted average basis.

3 Summary of significant accounting policies (Continued)

l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

m) Financial instruments

The Company has chosen to adopt the recognition and measurement provisions of IAS 39 and disclosure requirements of sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Classification

The Company measures its financial assets and liabilities at fair value with gains and losses recognised in profit or loss or at amortised cost. The classification depends on the purpose for which the financial assets and liabilities were acquired. Management determines the classification of its financial assets and liabilities at initial recognition.

a) Financial assets and liabilities measured at fair value through profit or loss

Financial assets and liabilities measured at fair value through profit or loss are financial assets and liabilities held for trading. A financial asset and liability is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets and liabilities in this category are classified as current assets and liabilities if expected to be settled within 12 months, otherwise they are classified as non-current.

b) Financial assets and liabilities measured at amortised cost

Financial assets and liabilities such as cash, trade and other debtors, trade and other payables and loans due to/from related undertakings are non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market are basic financial instruments. They are included in current assets and liabilities, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets and liabilities.

ii) Recognition and Measurements

Purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income.

Basic financial assets and liabilities are initially recognised at transaction price and subsequently at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within interest income or expenses in the period in which they arise.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments.

Hedge accounting is applied to derivatives. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in Statement of Comprehensive Income under the Cashflow Hedge Reserve.

3 Summary of significant accounting policies (Continued)

m) Financial instruments (continued)

iii) Impairment
At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

iv) De-recognition
Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

v) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

n) Government grants

Government grants including claims under the Coronavirus Job Retention Scheme (CJRS) have been recognised as Other Income in the Statement of Comprehensive Income.

o) Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

There were no critical judgements

Critical accounting estimates

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Summary of significant accounting policies (Continued)

o) Critical accounting judgements and key source of estimation uncertainty (continued)

- *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible fixed assets, and note 3(j) for the useful economic lives for each class of assets.

- *Impairment of leasehold improvements in tangible assets*

Determining whether the Company's leasehold improvements in tangible assets have been impaired requires estimations of the recoverable amount of the net book values of the leasehold improvements. The recoverable amount is the higher of the fair value less costs of disposal and value in use. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash generating units (the stores) over the term of lease taking into account option to extend and suitable discount rates in order to calculate the present values. The models are based on revenue growth and operating margin as well as the following key assumptions used in our calculations:

	%
Long term growth rate	2.00
Pre-tax Discount rate	8.00

4 Turnover

Turnover represents sales to third parties through retail outlets in the United Kingdom and sales through the internet to customers across eight European countries as shown below.

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
United Kingdom	118,889,486	105,172,802
Rest of Europe	25,530,904	30,426,247
	144,420,390	135,599,049

5 Other Income

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Government grants	349,111	999,319

6 Operating Profit

	Period Ending 31 December 2021 £	Year Ended 31 January 2021 £
Operating profit is stated after charging/(crediting):		
Depreciation on owned assets	1,392,622	2,555,159
Loss on disposal of owned assets	17,238	622,830
Services provided by the company's auditors:		
Fees payable for the audit	100,000	143,293
Fees payable for the audit of other group companies	10,000	10,000
(no non-audit services provided by the company's auditors)		
Operating lease charges	11,612,302	10,533,513
Staff costs (see note 10)	14,391,649	14,062,342
Adjustment to the purchase of inventory	(3,674,349)	5,246,404
Net realised exchange loss/(gain)	218,128	(248,691)

7 Other Interest receivable and Similar Income

	Period Ending 31 December 2021 £	Year Ended 31 January 2021 £
Interest receivable on bank deposits	-	9,959

Interest Payable and Similar Expenses

	Period Ending 31 December 2021 £	Year Ended 31 January 2021 £
Bank interest	6,811	23
Other interest	28	11,097

8 Directors' Emoluments

The directors are employed by other Tiffany Group companies and as such are not paid in their capacity as a director of this company (January 2021: nil).

One director is paid by Tiffany & Co. (UK) Holdings Limited. The remaining directors are paid by the parent company which makes no recharge to the Company. The remaining directors are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries as the services provided to each subsidiary are not a consistent proportion of their total services over time.

9 Employee Information

The monthly average number of persons employed by the Company, including executive directors, during the period was:

	Period ended 31 December 2021 Number	Year ended 31 January 2021 Number
By activity:		
Selling and distribution	**315**	**320**
Administration	**29**	**26**
	344	**346**

10 Staff Costs

Employment costs of all employees including directors:

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Wages and salaries	**12,517,286**	**11,719,147**
Social security costs	**1,434,726**	**1,301,150**
Other pension costs (see note 19)	**439,637**	**503,351**
Cost of employees' share schemes (see note 21)	**-**	**538,694**
	14,391,649	**14,062,342**

11 Tax on Profit

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Current tax		
UK corporation tax on profits of the financial year	**2,307,449**	**1,595,105**
Adjustments in respect of prior years	**(53,179)**	**-**
Total current tax	**2,254,270**	**1,595,105**
Deferred tax (see note 16)		
Origination and reversal of timing differences	**11,514**	**17,724**
Adjustments in respect of prior years	**8,963**	**(69,937)**
Effect of changes in tax rates	**(150,096)**	**(60,330)**
Total deferred tax	**(126,619)**	**(112,543)**
Total tax per income statement	**2,124,651**	**1,482,562**
Other comprehensive income items		
Deferred tax current year charge/(credit)	**45,942**	**(130,385)**
Effect of changes in tax rates	**(28,585)**	**-**
Total	**(17,357)**	**(130,385)**

11 Tax on Profit (continued)

The tax assessed for the year is higher (January 2021: higher) than the standard rate of corporation tax in the UK of 19.00%, (January 2021: 19 %). The differences are explained below:

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Profit before taxation	10,772,492	6,452,953
Profit multiplied by standard rate in the UK 19.00%, (2021: 19%)	2,046,774	1,226,061
Effects of:		
Expenses not deductible for tax purposes	272,189	518,260
Effects of group relief/other reliefs	-	(131,492)
Adjustments in respect of prior years	(44,216)	(69,937)
Tax rate changes	(150,096)	(60,330)
Total tax charge for the year	2,124,651	1,482,562

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The UK deferred tax asset as at 31 December 2021 has been calculated based on the rates that will apply when the amounts are expected to unwind.

There are no unrecognised tax losses carried forward.

12 Dividends

The directors do not propose a final dividend in respect of the period ended 31 December 2021 (January 2021: £nil).

13 Tangible Assets

	Leasehold improvements	Fixtures and fittings	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 February 2021	21,365,626	5,332,053	6,252,073	**32,949,752**
Additions	351,757	90,502	239,937	**682,196**
Disposals	(28,329)	-	-	**(28,329)**
At 31 December 2021	21,689,054	5,422,555	6,492,010	**33,603,619**
Accumulated depreciation				
At 1 February 2021	19,182,786	4,671,598	5,656,389	**29,510,773**
Charge for the year	854,585	252,766	285,271	**1,392,622**
Disposals	(11,091)			**(11,091)**
At 31 December 2021	20,026,280	4,924,364	5,941,660	**30,892,304**
Net book value				
At 31 December 2021	1,662,774	498,191	550,350	**2,711,315**
At 31 January 2021	2,182,840	660,455	595,684	**3,438,979**

14 Stocks

	31 December 2021	31 January 2021
	£	£
Finished goods	**92,274,561**	**80,373,069**

The amount of stocks recognised as an expense during the period was £74,456,756 (January 2021: £67,533,144).

There is no material difference between the carrying amount of stocks and the replacement cost.

15 Debtors

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Trade debtors	5,776,914	1,080,898
Amounts owed by group undertakings	8,790,412	4,800,057
Other debtors	2,453,064	6,199,960
Corporation tax	-	821,659
Forward Contracts	28,913	-
Prepayments and accrued income	6,910,513	1,456,214
	23,959,816	14,358,788

The 'Amounts owed by group undertakings' are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included within trade debtors are amounts of £6,390,871 (January 2021: £224,293) due to the Company in relation to concession agreements, after taking into account amounts owed by the Company under such agreements in relation to rent and commission totalled £1,009,576 as at 31 December 2021 (January 2021: £300,330 included within accruals and deferred income).

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency loans. At 31 December 2021, the outstanding contracts all mature within 11 months of the year end (January 2021: all mature within 11 months of the year end). The Group is committed to buy $5,323,000 and pay a fixed amount of £3,825,000 in GBP (January 2021: committed to buy $14,961,000 and pay a fixed amount of £11,536,000 in GBP). These transactions are recognised at fair value through other comprehensive income.

16 Deferred tax

Deferred tax assets in the financial statements comprises:

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Opening deferred tax balance	691,876	448,948
Adjustment in respect of prior years	(8,963)	69,937
Deferred tax credit in P&L for the year	138,582	42,606
Deferred tax (charge)/credit in OCI for the year	(17,357)	130,385
Closing deferred tax balance	804,138	691,876
Comprising:		
Capital allowances in excess of depreciation	573,587	500,049
Short term timing differences	230,551	191,827
	804,138	691,876
Deferred tax assets		
Recoverable after 12 months	772,442	76,018
	772,442	76,018

17 Creditors: Amounts Falling Due Within One Year

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Trade creditors	2,385,846	2,040,081
Amounts owed to group undertakings	25,352,111	17,780,563
Other creditors	7,415,722	865,640
Taxation and social security	446,178	417,681
Forward contracts	-	706,755
Corporation tax	1,432,611	-
Accruals and deferred income	10,813,649	4,796,522
	47,846,117	26,607,242

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

18 Called Up Share Capital

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Allotted, issued, called up and fully paid		
2 ordinary shares of £1 each (January 2021: 2)	2	2

There is a single class of ordinary shares. There are no restrictions on the distribution of capital and the repayment of capital.

19 Pension Obligations

The pension charge represents contributions payable by the Company amounted to £439,637 in the year (January 2021: £503,351). There is an accrued pension liability of £67,520 as at 31 December 2021 (January 2021: £67,520).

20 Financial Commitments

The Company had the following future minimum lease payments non-cancellable operating lease for each of the following years:

	Period Ended 31 December 2021 £	Year Ended 31 January 2021 £
Payment due:		
Not later than one year	12,764,809	11,137,725
Later than one year and not later than five years	17,592,941	26,437,523
Later than five years	667,397	1,335,753
	31,025,147	38,911,001

Majority of leases of land and buildings are subject to periodic rent reviews. Excluded from the above are contingent lease payments, which are dependent on sales.

21 Share Based Payments

Share options

Prior to the acquisition, under the Employee Incentive Plan, the parent company could grant options over shares in the parent company to employees of the Tiffany & Co. Group. Options may not be granted for an exercise price below the market price of the shares under option at the date of grant. Options have a maximum term of 10 years. Options awarded under the Employee Incentive Plan are generally reserved for employees at management level and above. Since 2005 no options have been awarded to any UK employees. Options granted under the Employee Incentive Plan become exercisable in increments of 25% per year over a four year period, subject to continued employment. Options were valued using the Black-Scholes option-pricing model. There are no performance conditions associated with the share options. Options are forfeited in the event that the option holders' employment with the Company ceases. There were no options outstanding at 31 December 2021 (January 2021: none).

Share awards

Prior to the acquisition, under the Employee Incentive Plan, the parent company could grant restricted stock units over shares in the parent company to employees of the Company. Restricted stock units awarded under the Employee Incentive Plan are generally reserved for employees at director level and above. The awards vest primarily in increments of 25% over a four year period subject to continued employment. The awards have an exercise price of £nil.

The fair value of share awards was determined by reference to the market price of the shares on the date of grant. No adjustment was made for dividends foregone during the vesting period as the directors have determined that this would not significantly change the fair value.

None of the awards outstanding at 31 December 2021 were exercisable at that date. The fair value of awards granted during the year was $nil (2021: $127.24). There were no rewards outstanding at 31 December 2021.

As a qualifying entity under Section 1 of FRS 102, the Company is exempted from certain disclosures of share based payment as they are disclosed in the consolidated financial statements into which the Company is consolidated.

22 Ultimate Parent Undertaking and Controlling Party

The immediate parent undertaking is Tiffany & Co (GB).

The ultimate parent undertaking is LVMH Moët Hennessy-Louis Vuitton SE, a European company incorporated in France.

LVMH Moët Hennessy-Louis Vuitton SE is the ultimate parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. Copies of the consolidated financial statements of LVMH Group can be obtained from 22 avenue Montaigne 75008 Paris, France.

23 Related Party Transactions

The Company has taken an exemption as per paragraph 33.1A of FRS 102, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by LVMH Group, whose financial statements are available (see Note 22 – Ultimate Parent Undertaking and Controlling Party).

24 Post Balance Sheet Event

At the end of February 2022, the ongoing political tensions between Russia and Ukraine escalated into a conflict involving Russia's military invasion of Ukraine. The world responded to the Russian's invasion by imposing extensive sanctions on Russia and curbing business cooperation. We consider these matters to be non-adjusting events after the reporting period.