Tiffany & Co. (UK) Holdings Limited

(Registered Number: 06500232)

Annual Report and Financial Statements
For the year ended 31 December 2022

Tiffany & Co. (UK) Holdings Limited
Strategic Report for the year ended 31 December 2022

The directors present their annual report and the audited financial statements of Tiffany & Co. (UK) Holdings Limited ('the Company') for the year ended 31 December 2022.

Principal activities and Business Review

The principal activity of the Company is to act as a holding company for various Tiffany and Co entities.

Tiffany & Co. (UK) Holdings Limited's ('the Company') profit for the financial year was £356,221 (11 months period ended December 2021: profit of £1,486,736). No dividend was declared and paid during the period (December 2021: nil). The profit for the year of £356,221 has been transferred to reserves (December 2021: profit of £1,486,736). As at 31 December 2022 the Company has net assets of £281,965,472 (December 2021: £281,609,251).

Post to the acquisition by LVMH on 7 January 2021, the Company changed its accounting reference date to 31 December to align with LVMH. Hence, the comparative amounts presented in the financial statements were prepared for 11 months period ended 31 December 2021 and are not entirely comparable to the current year's figures.

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, 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.

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. which covers the period of 12 months from the approval of the financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal Risks and Uncertainties

General Economic Risk
The Company's subsidiaries engage in 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.

Brand Protection

The Company is exposed to the risk that its brand may become denigrated by the sale of counterfeit merchandises. 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 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.

The Company is subject to the policies set by the Group to ensure proper monitoring and control of financial risk. The policies 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.

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. 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 21 – Ultimate Parent Undertaking and Controlling Party).

Price Risk

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

The Company is indirectly exposed to precious metal and diamond commodity price risk as a result of being a holding company in subsidiaries that engage in the sale of luxury jewellery. This risk is largely mitigated by the subsidiary undertakings passing on any increases in price of such commodities to customers.

Financial Risk Management (continued)

Credit Risk

The Company has minimal financial assets, other than cash, and therefore limited credit risk. Cash is held with banks with high credit ratings.

Interest Rate Risk

The Company has interest bearing liabilities that fund its activities. The risk of movements in interest rates is limited as these interest payments are fixed.

Key Performance Indicators (KPIs)

Given the nature of the Company's activities, the directors are of the opinion that KPIs are not necessary to provide an understanding of the Company's activities.

On behalf of the Board

A Frota
Director
25 September 2023

Tiffany & Co. (UK) Holdings Limited

Report of the Directors for the year ended 31 December 2022

The directors present their annual report and the audited financial statements of Tiffany & Co. (UK) Holdings Limited ('the Company') for the year ended 31 December 2022.

Future Developments

Refer to Strategic Report.

Financial Risk Management

Refer to Strategic Report.

Dividends

No dividend was declared and paid during the year (December 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:

C So
A Ledru (appointed effective 12 January 2022)
G Haig (appointed effective 12 January 2022)
A Frota (appointed effective 20 June 2023)
M Moore (appointed effective 25 May 2022 and resigned effective 31 May 2023)
B West (resigned effective 28 February 2022)

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.

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 regularly via update e-mails and departmental meetings.

Tiffany & Co. (UK) Holdings Limited
Report of the Directors for the year ended 31 December 2022 (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.

Disclosure of Information to the 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) they have 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

A Frota
Director
25 September 2023

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

Opinion

We have audited the financial statements of Tiffany & Co. (UK) Holdings Limited (the 'Company') for the year ended 31 December 2022 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 2022 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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, and anti-money laundering regulation.

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;
- 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 impairment of investment in subsidiaries, revenue recognition (which we pinpointed to the accuracy 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.

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 (Sep 28, 2023 16:00 GMT+1)

Richard Metcalfe
(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU
28 September 2023

Tiffany & Co. (UK) Holdings Limited
Registered Number 06500232

Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Other operating income	7	5,487,919	17,177,064
Administrative expenses		(5,177,028)	(15,435,063)
Operating profit	4	310,891	1,742,001
Other interest receivable and similar income	5	126,194	100,305
Interest payable and similar expenses	6	(1,031)	(6,579)
Profit before taxation		436,054	1,835,727
Tax on profit	11	(79,833)	(348,991)
Profit for the financial year		356,221	1,486,736

The results for the year period ended 31 December 2022 and the period ended 31 December 2021 derive entirely from continuing operations.

The notes on pages 14 to 28 form part of these financial statements.

Tiffany & Co. (UK) Holdings Limited
Registered Number 06500232

Balance Sheet as at 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Fixed assets			
Tangible assets	13	1,374	5,853
Deferred tax	17	29,346	22,152
Investments	14	267,360,225	267,360,225
		267,390,945	267,388,230
Current assets			
Debtors	15	18,688,665	26,879,359
Deferred tax	17	2,821	2,768
Cash at bank and in hand		169,256	79
		18,860,742	26,882,206
Creditors: amounts falling due within one year	16	(4,286,215)	(12,661,185)
Net current assets		14,574,527	14,221,021
Total assets less current liabilities		281,965,472	281,609,251
Net assets		281,965,472	281,609,251
Capital and reserves			
Called up share capital	18	125,729,540	125,729,540
Other reserves		3,399,092	3,399,092
Retained earnings		152,836,840	152,480,619
Total shareholders' funds		281,965,472	281,609,251

The financial statements on pages 11 to 28 were approved by the Board of Directors on 25 September 2023 and were signed on its behalf by:

A Frota
Director

25 September 2023

Statement of changes in equity for the Year Ended 31 December 2022

	Note	Called up Share capital	Other reserves	Retained earnings	Total shareholders' funds
		£	£	£	£
At 31 January 2021		125,729,540	3,399,092	150,993,883	**280,122,515**
Profit for the financial year		-	-	1,486,736	**1,486,736**
At 1 January 2022		125,729,540	3,399,092	152,480,619	**281,609,251**
Profit for the financial year		-	-	356,221	**356,221**
As at 31 December 2022		**125,729,540**	**3,399,092**	**152,836,840**	**281,965,472**

Other reserves related 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 before the acquisition on January 7, 2021.

1 General information

Tiffany & Co. (UK) Holdings 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 is that of an investment holding company and regional cost centre. No change in the Company's activity is envisaged in the foreseeable future.

2 Statement of compliance

The individual financial statements of Tiffany & Co. (UK) Holdings 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 and applicable accounting standards in the United Kingdom.

The company is a wholly owned subsidiary of LVMH Moët Hennessy-Louis Vuitton SE. It is included in the consolidated financial statement of LVMH Moët Hennessy-Louis Vuitton SE. which are publicly available (see Note 21 – Ultimate Parent Undertaking and Controlling Party). Therefore, the company is able to take advantage of the exemption in section 401 of the Companies Act 2006 and as such, has not prepared consolidated financial statements of the company and its subsidiary undertakings.

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.

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. which covers the period of 12 months from the approval of the financial statements. 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. (UK) Holdings 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 21 – 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) Foreign Currencies

i) Functional and presentation currency

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

ii) Transactions and balances

Exposures to fluctuations in foreign currency exchange rates for the Company are managed by its parent company, Tiffany & Co., through the use of forward currency contracts.

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.

e) Employee Benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution scheme.

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.

ii) Defined contribution scheme

The Company contributes to money purchase 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.

The contribution payable to the scheme for the year is charged to the Statement of Comprehensive Income.

3 Summary of significant accounting policies (continued)

f) 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 and Retained Earnings, 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 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.

g) 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	12.5-20
Fixtures and fittings	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.

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 Statement of Comprehensive Income.

3 Summary of significant accounting policies (continued)

h) Impairment of Non-financial Assets

At each balance sheet date non-financial assets are valued at cost. Any 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.

i) 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.

j) 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 classifies its financial assets and liabilities in the following categories: at fair value through profit or loss, and measured 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 at fair value through profit or loss

Financial assets and liabilities 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.

3 Summary of significant accounting policies (Continued)

j) Financial instruments (continued)

b) Measured at amortised costs

Receivables, 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. 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

Regular way 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 is initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income and Retained Earnings. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried 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 and Retained Earnings within interest income or expenses in the period in which they arise.

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

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 and Retained Earnings.

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 and Retained Earnings. 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 and Retained Earnings.

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.

3 Summary of significant accounting policies (Continued)

k) 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.

Impairment of Investments in Subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the recoverable amount of the investments. The recoverable amount of an asset is the higher of fair value less the cost of disposal and the value in use, with an impairment charge recognised whenever the carrying amount exceeds the recoverable amount. The fair value less cost to sell is not available post to the acquisition. The value in use calculation is based on a model which requires the Company to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate the present values. The following rates were used in our calculations:

	%
Discount rate (pre tax)	10.00
Terminal Growth rate	2.00
Sales Growth rate	2.00-10.00

4 Operating profit

	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Operating profit is stated after charging:		
Depreciation on owned assets	4,479	4,797
Foreign exchange losses	19,067	25,781
Staff costs (see note 10)	2,890,086	4,881,862

Audit fees of £10,000 (December 2021: £10,000) have been borne by Tiffany & Co. Limited. There are no non-audit fees for Tiffany & Co. (UK) Holdings Limited.

5 Other Interest Receivable and similar Income

	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Interest receivable from group undertakings	124,724	100,305
Bank interest	1,470	-
	126,194	100,305

6 Interest payable and similar expenses

	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Interest payable due to group undertakings	1,031	6,564
Bank interest	-	15
	1,031	6,579

7 Other operating income

	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Regional management fee	5,487,919	17,177,064

Regional management fee income is earned in relation to services provided by Tiffany & Co. (UK) Holdings Limited to its parent company in the United States and its subsidiaries within Europe for management services provided throughout the year ended 31 December 2022.

8 Directors' Emoluments

	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Aggregate emoluments in respect of qualifying services	2,219	1,476,996
	2,219	1,476,996

The emoluments above relate to a director whose emoluments related to services provided to this Company and a number of other Tiffany Group subsidiaries. It is not possible to make an accurate apportionment of the emoluments in respect of each of the subsidiaries as the services provided to each subsidiary are not a consistent proportion of the director's total services over time. Therefore, the full amount is disclosed in this company, Tiffany & Co. (UK) Holdings Limited.

Highest paid director	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Total emoluments and amounts receivable under long-term incentive schemes	2,219	1,476,996

8 Directors' Emoluments (continued)

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:

	Year ended 31 December 2022 Number	Period ended 31 December 2021 Number
By activity:		
Administration	32	50
	32	50

10 Staff Costs

Employment costs of all employees including directors:

	Year ended December 2022 £	Period ended December 2021 £
Wages and salaries	2,469,937	3,813,856
Social security costs	332,855	892,233
Other pension costs (see note 19)	87,294	175,773
	2,890,086	4,881,862

11 Tax on profit

	Year ended December 2022 £	Period ended December 2021 £
Current tax		
UK Current tax charge	87,482	351,016
Adjustments in respect of prior periods	(402)	-
Total current tax	87,080	351,016
Deferred tax (see note 17)		
Origination and reversal of timing differences	4,028	3,122
Adjustment in respect of previous periods	(12,547)	-
Effect of changes in tax rates	1,272	(5,147)
Total deferred tax	(7,247)	(2,025)
Total tax per statement of comprehensive income	79,833	348,991

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

	2022 £	2021 £
Profit before taxation	436,054	1,835,727
Profit before taxation multiplied by standard rate in the UK, 19.00% (2021: 19%)	82,850	348,788
Effects of:		
Expenses not deductible	8,660	5,350
Double taxation relief	(5,744)	-
Foreign tax suffered	5,744	-
Adjustment in respect of previous periods	(402)	-
Adjustment in respect of previous periods – deferred tax	(12,547)	-
Tax rate changes	1,272	(5,147)
Total tax charge for the year	79,833	348,991

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 2022 has been calculated based on the rates that will apply when the amounts are expected to unwind.

12 Dividends

The directors do not propose a final dividend in respect of the year ended 31 December 2022 (December 2021: nil).

13 Tangible Assets

	Leasehold improvements £	Fixtures and fittings £	Office furniture and equipment £	Total £
Cost				
At 1 January 2022	25,360	24,012	493,938	**543,310**
Additions	-	-	-	**-**
At 31 December 2022	25,360	24,012	493,938	**543,310**
Accumulated depreciation				
At 1 January 2022	25,360	24,012	488,085	**537,457**
Charge for the year	-	-	4,479	**4,479**
At 31 December 2022	25,360	24,012	492,564	**541,936**
Net book value				
At 31 December 2022	-	-	**1,374**	**1,374**
At 31 December 2021	-	-	**5,853**	**5,853**

14 Investments

Direct investments

Subsidiary	Nature of business	Country of incorporation	Address of subsidiary	Holding	2022 %
Tiffany & Co. (Australia) Pty. Ltd	Retail	Australia	Leel1, 175 Pitt Street, Sydney NSW 2000 Australia	Ordinary	**100**
Tiffany & Co. Belgium SPRL	Retail	Belgium	Boulevard de Waterloo, 66 Brussels B-1000 Belgium	Ordinary	**99.99**
Tiffany of New York (Spain) S.L.U.	Retail	Spain	Calle Jose Ortega y Gasset 10 Madrid 28006 Spain	Ordinary	**100**
Tiffany & Co. (Jewellers) Limited	Retail	Ireland	3 Dublin Landings, North Wall Quay Dublin 1 Ireland	Ordinary	**100**
Tiffany & Co. (GB)	Holding	UK	25 Old Bond Street London W1S 4QB United Kingdom	Ordinary	**99**
Tiffany & Co. Italia S.p.A	Retail	Italy	Via della Spiga 19/A Milan 20121 Italy	Ordinary	**100**
Tiffany & Co.	Retail	France	7 rue Scribe Paris, 19801 France	Ordinary	**100**
Tiffany & Co. Netherlands B.V.	Retail	Netherlands	PC Hooftsraat 86-88 Amsterdam 1071 CB The Netherlands	Ordinary	**100**
Tiffany & Co. (CR) S.R.O.	Retail	Czech Republic	Prague 1 Parizska 1068/10 Prague 110 00 Czech Republic	Ordinary	**90**
Tiffany and Company (Cyprus) Limited	Holding	Cyprus	5 Lemesou Avenue, 2nd Floor Nicosia 2112 Cyprus	Ordinary	**100**
Tiffany & Co. Chile SpA	Retail	Chile	Avenida Kennedy 5413 Local 492 Las Condes Santiago Chile	Ordinary	**100**
Tiffany & Co. (Switzerland) Jewellers S.A.R.L.	Retail	Switzerland	Rue du Rhone 21 1204 Geneva Switzerland	Ordinary	**100**
Tiffany & Co. Denmark ApS	Retail	Denmark	C/O Illum Department Store Ostergade 52 1100 Kobenhavn K Denmark	Ordinary	**100**

Notes to the Financial Statements for the Period Ended 31 December 2022 (Continued)

14 Investments (continued)

Indirect investments

Subsidiary	Nature of business	Country of incorporation	Address of subsidiary	Holding	2022 %
Tiffany & Co. (NZ) Limited	Retail	New Zealand	c/o DLA Piper New Zealand Level 15, PwC Tower, 15 Customs Street West, Auckland 1010 New Zealand	Ordinary	**100**
Tiffany & Co. Limited	Retail	UK	25 Old Bond Street London W1S 4QB United Kingdom	Ordinary	**100**

	Investments in Subsidiaries £
Cost	
At 1 January 2022	**267,360,225**
Additions	**-**
At 31 December 2022	**267,360,225**
Accumulated Impairment	
At 1 January 2022	-
Impairment loss	-
At 31 December 2022	-
Net book value	
At 31 December 2022	**267,360,225**
At 31 December 2021	**267,360,225**

The directors are of the opinion that the individual investments in subsidiary undertakings are worth not less than the balance sheet amount.

An impairment review of certain investment in subsidiaries was undertaken in the current financial year. The impairment review compared the carrying amount with the recoverable amount (higher of fair value less costs of disposals and value in use). Where the value in use model was used, a discount rate of 10% pre-tax was applied to future cash flows. Cash flows were projected over 5 years, with a growth rate in the range of 2-10% applied to subsequent years in order to obtain their net present value. This was compared with the book value of the respective investment in subsidiaries at 31 December 2022.

15 Debtors

	Period ended 31 December 2021 £	Period ended 31 December 2021 £
Amounts owed by group undertakings	18,123,555	22,969,106
Loans owed by group undertakings	-	3,128,169
Other debtors	-	1,534
Prepayments and accrued income	565,110	780,550
	18,688,665	26,879,359

'Amounts owed by group undertakings' are unsecured and are repayable on demand.

Included in 'Amounts owed by group undertakings' to the company is £6,257,790 (December 2021: £nil) relating to cash pooling supported by the group.

'Loans owed by group undertakings' are unsecured and are repayable on demand. During the year, interest was payable on these loans at a rate of 0.88-2.75% per annum (December 2021: 1.33-1.57% per annum). The loans were fully repaid before year end.

16 Creditors: Amounts Falling Due Within One Year

	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Trade creditors	83,601	1,849,252
Amounts owed to group undertakings	3,062,209	5,444,677
Other taxation and social security	186,791	220,050
Corporation tax payable	277,649	196,313
Accruals and deferred income	675,965	4,950,893
	4,286,215	12,661,185

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

Included in 'Amounts owed to group undertakings' by the company is £nil (December 2021: £3,919,642) relating to cash pooling supported by the group.

17 Deferred tax

Deferred taxation asset in the financial statements comprises:

	Year ended December 2022 £	Period ended December 2021 £
Asset at start of year	24,920	22,895
Deferred tax charged to income statement for the year	7,247	2,025
Provision at end of year	32,167	24,920
Comprising:		
Fixed asset timing differences	22,735	24,920
Short term timing differences	9,432	-
	32,167	24,920

	Year ended December 2022 £	Period ended December 2021 £
Deferred tax assets		
Recoverable within 12 months	2,821	2,768
Recoverable after 12 months	29,346	22,152

18 Called Up Share Capital

	Year ended December 2022 £	Period ended December 2021 £
Allotted, issued, called up and fully paid		
125,729,540 ordinary shares of £1 each (December 2021: 125,729,540)	125,729,540	125,729,540

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 £87,294 in the year (December 2021: £175,773). There is an accrued pension liability of £12,073 as at 31 December 2022 (December 2021: £Nil).

20 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 publicly available (see Note 21 – Ultimate Parent Undertaking and Controlling Party).

21 Ultimate Parent Undertaking and Controlling Party

The immediate parent undertaking is Tiffany & Co. Overseas Finance BV.

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 are publicly available and can be obtained from the public website address https://www.lvmh.com/investors/investors-and-analysts/publications/.