

RICHEMONT INVESTMENTS
Registered number: 2803362

Annual report
for the year ended 31 March 2005



RICHEMONT INVESTMENTS

Annual report for the year ended 31 March 2005

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RICHEMONT INVESTMENTS

Directors' report for the year ended 31 March 2005

The directors submit their report and the audited financial statements of the company for the year ended 31 March 2005.

Principal activities

The company is a United Kingdom resident investment holding company.

Results

The results for the year are set out in the profit and loss account on page 5.

Review of business and future developments

The company continued to act as an investment company and intermediate holding company.

Both the level of business and the year end position were as expected.

Dividends

No interim dividends were paid in the year (2004: £nil). The directors do not recommend the payment of a final dividend for the year ended 31 March 2005 (2004: £nil).

Directors

The directors who held office during the year and as at 31 March 2005 were:

Mr R J Brooks

Mr C K R Last

Mr W S G Lawrence

(resigned 16 July 2004)

Directors' interests

There are no individual interests of any director and their families in shares and options of the company, its UK ultimate parent company Richemont Holdings (UK) Limited, or any of its subsidiary companies or fellow subsidiaries, as shown in the register kept in accordance with section 325 of the Companies Act 1985 as at 31 March 2005.

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

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Directors' report for the year ended 31 March 2005 - continued

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year that 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. The directors are required to prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the accounts for the year ended 31 March 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

An elective resolution is in place, which negates the need to reappoint the auditors annually.

By order of the board



W S G Lawrence
Secretary

21 September 2005

Independent auditors' report to the members of Richemont Investments

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

21 September 2005

RICHEMONT INVESTMENTS

Profit and loss account for the year ended 31 March 2005

	Notes	2005 £'000	2004 £'000
Administrative expenses		-	(313)
Operating items		(125)	41,729
Operating (loss)/ profit	2	(125)	41,416
Exceptional items	5	(61)	(39,526)
(Loss)/profit on ordinary activities before interest and taxation		(186)	1,890
Income from fixed asset investments	6	-	2,964
Other interest receivable and similar income	7	48	269
(Loss)/profit on ordinary activities before taxation		(138)	5,123
Tax on (loss)/profit on ordinary activities	8	-	-
(Loss)/profit on ordinary activities after taxation		(138)	5,123
Retained (loss)/profit for the financial year transferred to reserves	13,14	(138)	5,123

The company has no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year as stated above, and their historical cost equivalents.

All the company's activities are continuing.

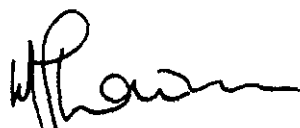
The notes on pages 7 to 13 form an integral part of these financial statements.

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Balance sheet as at 31 March 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Investments	9	35,120	35,183
Current assets			
Debtors	10	9,112	9,187
Cash at bank and in hand		8	8
		<u>9,120</u>	<u>9,195</u>
Creditors: amounts falling due within one year	11	<u>(39,240)</u>	<u>(39,240)</u>
Net current liabilities		(30,120)	(30,045)
Total assets less current liabilities		<u>5,000</u>	<u>5,138</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	<u>5,000</u>	<u>5,138</u>
Equity shareholders' funds	14	<u>5,000</u>	<u>5,138</u>

The financial statements on pages 5 to 13 were approved by the board of directors on ~~21 September~~ 2005 and were signed on its behalf by:



W S G Lawrence
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

RICHEMONT INVESTMENTS

Notes to the financial statements for the year ended 31 March 2005

1 Accounting policies

These financial statements have been prepared on the going concern basis under the accounting policies set out below which have been applied consistently and in accordance with applicable accounting standards.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention.

Consolidated accounts

These financial statements contain information about Richemont Investments as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included in the consolidated accounts of its UK parent company Richemont Holdings (UK) Limited.

Taxation

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

Provision is made for deferred taxation using the incremental liability approach and is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Investments

Investments are stated at cost less any provision considered necessary for any impairment.

Cash flow statement

No cash flow statement has been prepared as, in accordance with FRS 1 (Revised), the company is exempt from this requirement as it is a wholly owned subsidiary whose cash flows are included in the consolidated accounts of Compagnie Financière Richemont SA, which are publicly available.

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Notes to the financial statements for the year ended 31 March 2005 - continued

2 Operating loss

	2005 £'000	2004 £'000
Operating (loss)/profit is stated after (charging)/crediting:		
Write back of accrual from prior year	(123)	(2,410)
Forgiveness of debt due to group company	-	(39,319)
	<hr/>	<hr/>

Audit fees of £10,000 (2004: 3,675) have been borne by a fellow Compagnie Financière Richemont SA group company.

3 Directors' emoluments

None of the directors who held office during the year received any emoluments in respect of their services to the company (2004: £nil).

4 Employee information

There were no employees during the year (2004: nil).

5 Exceptional items

	2005 £'000	2004 £'000
Impairment of investments	(61)	(39,526)
	<hr/>	<hr/>

RICHEMONT INVESTMENTS

Notes to the financial statements for the year ended 31 March 2005 - continued

6 Income from fixed asset investments

	2005 £'000	2004 £'000
Dividends receivable from group undertakings	-	2,964
	-	2,964

7 Interest receivable and similar income

	2005 £'000	2004 £'000
Bank interest receivable	1	-
Interest receivable from group undertakings	47	269
	48	269

8 Tax on loss on ordinary activities

Current tax	2005 £'000	2004 £'000
Adjustment in respect of prior periods	-	-
Taxation reconciliation	2005 £'000	2004 £'000
(Loss)/profit on ordinary activities before taxation	(138)	5,123
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	(41)	1,537
Effects of:		
Expenses not deductible for tax purposes	55	(1,550)
Other timing differences		-
Tax losses (utilised)/carried forward	(14)	13
Adjustment in respect of prior periods		-
Current tax charge for the period	-	-

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Notes to the financial statements for the year ended 31 March 2005 - continued

8 Tax on profit on ordinary activities - continued

The company has a net deferred tax asset of £1,066,000 (2004: £1,081,000). This has not been recognised in the financial statements as the directors do not believe the asset to be recoverable in the foreseeable future.

Unrecognised deferred tax asset

	2005 £'000	2004 £'000
Capital allowances in excess of depreciation	-	1
Trading losses carried forward	1,066	1080
	<u>1,066</u>	<u>1,081</u>

9 Fixed asset investments

	Listed investments £'000	Investment in subsidiaries £'000	Total £'000
Cost			
At 1 April 2004	102	514,247	514,349
At 31 March 2005	<u>102</u>	<u>514,247</u>	<u>514,349</u>
Provision			
At 1 April 2004	(96)	(479,070)	(479,166)
Provided in the year	(2)	(61)	(63)
At 31 March 2005	<u>(98)</u>	<u>(479,131)</u>	<u>(479,229)</u>
Carrying value			
At 31 March 2005	<u>4</u>	<u>35,116</u>	<u>35,120</u>
At 31 March 2004	<u>6</u>	<u>35,177</u>	<u>35,183</u>

The market value of listed investments at 31 March 2005 was £3,888 (2004: £9,000).

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Notes to the financial statements for the year ended 31 March 2005 - continued

9 Fixed asset investments - continued

At 31 March 2005 the company's principal immediate subsidiary undertakings were:

Subsidiary undertaking	Place of Incorporation	Percentage holding of ordinary share capital	Nature of business
Vendôme Luxury (UK) Limited	England and Wales	100%	Investment company
Vendôme Luxury Group (UK) BV	Netherlands	100%	Investment company
Asian & Western Classics (UK) Limited	England and Wales	100%	Investment company
Asian & Western Classics (Jersey) Limited	Jersey	100%	Investment company
Alfred Dunhill Lighters Limited	England and Wales	100%	Investment company
Alfred Dunhill International Limited	England and Wales	100%	Investment company
Alfred Dunhill International B.V.	Netherlands	100%	Investment company
Alfred Dunhill Finance	England and Wales	100%	Investment company
Atlantorian Investments Limited	England and Wales	100%	Investment company
Berkeley Intellectual Property Services (Knightsbridge) Limited	England and Wales	100%	Intellectual property services

10 Debtors

	2005 £'000	2004 £'000
Amounts owed by group undertakings	9,112	9,065
Other debtors	-	122
	<u>9,112</u>	<u>9,187</u>

11 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Amounts owed to group undertakings	39,240	39,240
Other creditors	-	-
	<u>39,240</u>	<u>39,240</u>

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Notes to the financial statements for the year ended 31 March 2005 - continued

12 Share capital

	2005 £'000	2004 £'000
Authorised:		
8,990,000 (2004: 8,990,000) ordinary shares of £1 each	8,990	8,990
1,010,000 (2004: 1,010,000) ordinary shares of £0.0001 each	-	-
	<u>8,990</u>	<u>8,990</u>
Allotted, called up and fully paid:		
Nil (2004: nil) ordinary shares of £1 each	-	-
1,010,000 (2004: 1,010,000) ordinary shares of £0.0001 each	-	-
	<u>-</u>	<u>-</u>

13 Reserves

	Profit and loss account £'000
As at 1 April 2004	5,138
Loss for the financial year	(138)
At 31 March 2005	<u>5,000</u>

14 Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Opening equity shareholders' funds	5,138	15
(Loss)/profit for the financial year	(138)	5,123
Closing equity shareholders' funds	<u>5,000</u>	<u>5,138</u>

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Notes to the financial statements for the year ended 31 March 2005 - continued

15 Related party transactions

In accordance with FRS 8 the company is exempt from disclosing transactions with entities that are part of the group, as it is a more than ninety per cent owned subsidiary undertaking of a parent whose consolidated financial statements are publicly available.

16 Ultimate holding company

The company is a wholly owned subsidiary of Richemont Holdings (UK) Limited (registered in England and Wales).

The directors regard Compagnie Financière Richemont SA, a listed company incorporated in Switzerland, to be the ultimate parent company. Shares representing 50% of the voting rights of that company are held by Compagnie Financière Rupert which, for the purpose of FRS 8, is regarded by the directors as the controlling party.

Copies of the accounts of Compagnie Financière Richemont SA are available from its registered office at 8 Boulevard James-Fazy, CH-1201, Geneva, Switzerland.