

RICHEMONT INVESTMENTS
Registered number: 2803362

Annual report
for the year ended 31 March 2017

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RICHEMONT INVESTMENTS (Registered number: 2803362)

Annual report for the year ended 31 March 2017

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RICHEMONT INVESTMENTS (Registered number: 2803362)

Director's Report for the year ended 31 March 2017

The Sole Director submits his report and the audited financial statements of Richemont Investments (the "Company") for the year ended 31 March 2017. The Company reports its financial results in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations, (together, "IFRS").

Principal activities

Richemont Investments is a private unlimited company incorporated in the United Kingdom under the Companies Act 2006, incorporated on 25 May 1993. The Company is a United Kingdom resident investment holding company. The Company is registered in London and its registered office address is 15 Hill Street, London, W1J 5QT, United Kingdom.

The results for the year are set out in the Statement of Comprehensive Income on page 6 and show a pre-tax loss of £9,000 (2016: loss £10,000). Total shareholders' equity at 31 March 2017 was £765,000 (2016: £772,000).

Business environment and future outlook

The Company continued to act as an investment company and intermediate holding company. The subsidiaries of the Company, whilst holding title to intellectual property, can be considered dormant. Both the level of business and the year end position were as expected. No additional activity is anticipated for the foreseeable future.

Strategic Report

The Company is entitled to the small companies' regime exemption and so no Strategic Report has been prepared, this is in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Key performance indicators

The directors of the Compagnie Financière Richemont S.A. Group (the "Group") manage the Group's operations on a divisional basis and monitor the performance of Richemont Investments at a consolidated level. For this reason, the Company's Director believes that analysis using key performance indicators for the Company is neither necessary nor appropriate for an understanding of the development, performance, or position of the business of Richemont Investments. The development, performance, and position of the Richemont brands, which includes the Company, is discussed on the Richemont website (www.richemont.com).

Principal risks and uncertainties

The directors of the Group manage the Group's risk centrally rather than at an individual business unit level. For this reason the Company's Sole Director believes that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance, or position of Richemont Investments' business.

The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's annual report which can be obtained from the address given in note 15 of the financial statements.

Dividends

There were no dividends paid in the financial year (2016: £nil).

RICHEMONT INVESTMENTS (Registered number: 2803362)

Director's Report for the year ended 31 March 2017 (continued)

Sole Director

The Sole Director who held office during the year and up to the date of signing the financial statements was:

Mr R J Brooks

Secretary

The Secretary who held office throughout the year and subsequently was Ms L Still.

Creditor payment policy

The current policy of the Company and the Group's United Kingdom subsidiaries concerning the payment of the majority of its trade creditors is:

- (a) to settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- (b) to ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) to pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

Corporation tax changes

On 8 July 2015 the UK government announced that the corporation tax rate would reduce from 20% to 19% with effect from 1 April 2017 and sets it at this rate for the financial years beginning 1 April 2018 and 2019. The rate will then be reduced by a further 1% to 18% for the financial year beginning 1 April 2020.

On 16 March 2016, the UK government announced that the corporation tax rate would be reduced to 17% with effect from 1 April 2020.

In accordance with the requirement set out in IAS 12 'Income taxes', the tax rate of 17% (2016: 18%) is used as the basis for the calculation of deferred taxes stated.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Independent Auditors

The auditors PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office.

By order of the board



Mr R J Brooks
Director

30/11
May 2017

RICHEMONT INVESTMENTS (Registered number: 2803362)

Statement of Director's Responsibilities in respect of the annual report and the financial statements

The Sole Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Sole Director to prepare financial statements for each financial year. Under that law the Sole Director has elected to prepare the financial statements in accordance with IFRS as adopted by the European Union and IFRIC interpretations (together "IFRS"). Under company law the Sole Director must not approve the financial statements unless 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 these financial statements, the Sole Director is required to:

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

The Sole Director has complied with the above requirements in the preparation of the financial statements.

The Sole Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Disclosure of information to auditors

The Sole Director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the board



Mr R J Brooks
Director

30th May 2017

Independent auditors' report to the members of Richemont Investments

Report on the financial statements

Our opinion

In our opinion, Richemont Investments's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Comprehensive Income and Retained Earnings for the year ended 31 March 2017;
- the Statement of Financial Position as at 31 March 2017;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Director's Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Richemont Investments (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the director was not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the the Statement of Director's Responsibilities set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the director's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Director's Report, we consider whether this report include the disclosures required by applicable legal requirements.



James de Veulle (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey, Channel Islands
31 May 2017

RICHEMONT INVESTMENTS (Registered number: 2803362)

Statement of Comprehensive Income and Retained Earnings for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Continuing operations			
Revenue		-	-
Administrative expenses		(9)	(10)
Operating loss and loss before taxation		<u>(9)</u>	<u>(10)</u>
Income tax	7	2	2
Loss for the year		<u>(7)</u>	<u>(8)</u>
Total comprehensive loss for the year		<u>(7)</u>	<u>(8)</u>
Retained Profits as at 1 April		<u>772</u>	<u>780</u>
Retained Profits as at 31 March		<u>765</u>	<u>772</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

The Company has no other changes in equity other than those presented, therefore no separate Statement of Changes in Equity has been presented.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Statement of Financial Position as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Assets			
Non current assets			
Investments in subsidiaries	8	<u>34,115</u>	<u>34,115</u>
Current assets			
Trade and other receivables	9	4	4
Cash and cash equivalents	10	<u>773</u>	<u>780</u>
		777	784
Liabilities			
Current liabilities			
Trade and other payables	11	<u>(34,127)</u>	<u>(34,127)</u>
Net current liabilities		<u>(33,350)</u>	<u>(33,343)</u>
Net assets		<u>765</u>	<u>772</u>
Shareholders' equity			
Share capital	12	-	-
Retained earnings		<u>765</u>	<u>772</u>
Total shareholders' equity		<u>765</u>	<u>772</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

The financial statements on pages 6 to 16 were approved and authorised for issue by the Sole Director on 30th May 2017:


Mr R J Brooks
Director

RICHEMONT INVESTMENTS (Registered number: 2803362)

Statement of Cash Flows for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Cash used in operating activities	10 (b)	<u>(7)</u>	<u>(6)</u>
Net decrease in cash and cash equivalents		(7)	(6)
Cash and cash equivalents at 1 April		780	786
Cash and cash equivalents at 31 March	10 (a)	<u>773</u>	<u>780</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017

1 Summary of significant accounting policies

The financial statements of Richemont Investments ("the Company"), have been prepared on the going concern basis under the accounting policies set out below, which have been applied consistently, except where noted, and in accordance with applicable accounting standards.

The Company is a private unlimited company and registered London, United Kingdom. The registered office is 15 Hill Street, London, W1J 5QT. The principle activity of the Company during the year was to act as a United Kingdom resident investment holding company.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations (together "IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of the more important accounting policies is set out below. These financial statements have been prepared under the historical cost convention, subject to the revaluation of available for sale investments.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The policies set out in this note have been consistently applied to the year presented:

Going concern

The Company meets its day-to-day working capital requirements through its cash reserves and borrowings. The Company's forecasts and projections show that the Company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. Further information on the Company's borrowings is given in note 11.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. Any impairment is calculated by comparing the recoverable amount with the carrying value of the investment at the balance sheet date. The recoverable amount is deemed to be not less than the net assets of the investment.

Exemption from preparing consolidated financial statements

As further explained in note 8, the Company is not required to prepare consolidated financial statements due to the exemption available under section 401 of the Companies Act 2006.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017 (continued)

1 Summary of significant accounting policies (continued)

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents includes 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.

Trade and other payables

Payables are initially measured at fair value and subsequently measured at amortised cost.

Share capital

Shares issued by the Company are classified as equity attributable to the Company's shareholders.

Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using taxation rates that are applicable to the taxable income.

Deferred tax assets and liabilities

Deferred taxation is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable income nor accounting profit.

Deferred taxation is recognised in the Statement of Comprehensive Income except when it relates to items credited or charged directly to equity, in which case it is recognised in equity.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017 (continued)

1 Summary of significant accounting policies (continued)

New standards and interpretations not yet adopted

Certain new accounting standards and amendments, issued by the IASB and interpretations issued by IFRIC are not yet effective and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Company are set out below.

Amendments to IAS 7, 'Statement of cash flows', introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. The standard is applicable for annual periods beginning on or after 1 January 2017. The Company is yet to assess the full impact of Amendment to IAS 7.

2 Financial risk factors

The Company's activities expose it to financial risks detailed below. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance, including the Company.

(a) Cash flow interest rate risk

The Company is exposed to future cash flow fluctuation risk due to changes in variable market interest rates, which is managed by the Group.

(b) Liquidity risk

The Company has no significant liquidity risk as funding is generated through maintaining sufficient cash and by settlement of debt by fellow subsidiary companies and associated undertakings.

(c) Credit risk

The Company has no significant credit risk. The credit risk arising from cash and deposits with credit institutions is managed by the Group. The minimum long term credit rating requirements of financial counterparties is A1/P1.

3 Critical accounting estimates and assumptions

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

- a) The recognition of provision for income taxes, including deferred taxation, taking into account the related uncertainties in the normal course of business.

The amounts involved are disclosed elsewhere in the financial statements.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017 (continued)

4 Auditors' remuneration

Auditors' remuneration for the year of £3,999 (2016: £4,612) has been borne by the Company.

5 Director's emoluments and interests

The Sole Director who held office during the year received no emoluments in respect of his services to the Company (2016: £nil). The Sole Director considers there are no other key management personnel.

6 Employee information

There were no employees during the year (2016: nil).

7 Taxation

Analysis of charge in the year:	2017	2016
	£'000	£'000
Current tax credit	<u>(2)</u>	<u>(2)</u>
Taxation	<u>(2)</u>	<u>(2)</u>
Taxation reconciliation	2017	2016
	£'000	£'000
Loss on ordinary activities before taxation	<u>(9)</u>	<u>(10)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	(2)	(2)
Effects of:		
Group relief surrendered	2	2
Consideration received for losses surrendered as group relief	<u>(2)</u>	<u>(2)</u>
Total taxation credit	<u>(2)</u>	<u>(2)</u>

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017 (continued)

8 Investments in subsidiary undertakings

	2017	2016
Cost	£'000	£'000
At 1 April and 31 March	<u>34,166</u>	<u>34,166</u>
Provision for impairment		
At 1 April and 31 March	<u>(51)</u>	<u>(51)</u>
Carrying value		
At 31 March	<u><u>34,115</u></u>	<u><u>34,115</u></u>

The 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 has taken advantage of the exemption under section 401 of the Companies Act 2006 (for non-EEA parents) from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent, Compagnie Financiere Richemont S.A., a company incorporated in Switzerland.

At 31 March 2017 the Company's immediate subsidiary undertakings were:

Subsidiary undertaking	Place of incorporation	Holding of ordinary share capital (%)	Class of shares held
Vendôme Luxury Group (UK) BV	Netherlands	100%	Ordinary shares of €45 each
Alfred Dunhill Lighters Limited	England and Wales	100%	Ordinary shares of £1each
Alfred Dunhill International Limited	England and Wales	100%	Ordinary shares of £1each
Richemont Limited	England and Wales	100%	Ordinary shares of £1each
A. Dunhill Limited	England and Wales	100%	Ordinary shares of £1each
Charatan Pipes	England and Wales	100%	Ordinary shares of £1each
F. Charatan & Son Limited	England and Wales	100%	Ordinary shares of £0.10 each

All of the subsidiary undertakings are investment companies and have the same registered office at 15 Hill Street, London, W1J 5QT, including Vendome Luxury Group (UK) BV.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017 (continued)

9 Trade and other receivables

	2017	2016
	£'000	£'000
Amounts due from subsidiary undertakings	<u>4</u>	<u>4</u>

The fair value of trade and other receivables approximates their carrying value. Substantially all balances are denominated in Pound Sterling and there is no right to set off.

10 Cash and cash equivalents

(a) Cash and cash equivalents

	2017	2016
	£'000	£'000
Cash at bank	<u>773</u>	<u>780</u>

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	2017	2016
	£'000	£'000
Operating loss	(9)	(10)
Decrease in trade and other receivables	-	1
Increase in trade and other payables	-	1
Tax received	2	2
Cash flows used in operating activities	<u>(7)</u>	<u>(6)</u>

11 Trade and other payables

	2017	2016
	£'000	£'000
Trade payables	3	-
Accruals	9	12
Amounts owed to subsidiary undertakings	34,115	34,115
	<u>34,127</u>	<u>34,127</u>

The fair value of trade and other payables approximates their carrying value. Substantially all balances are denominated in Pound Sterling. The subsidiary undertakings are dormant and the loans although payable on demand are not expected to be recalled, thus the Company has sufficient resources to meet its obligations as they fall due. There is no right to set off against trade and other receivables.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017 (continued)

12 Share capital

	2017	2016
	£'000	£'000
Authorised:		
8,990,000 (2016: 8,990,000) ordinary shares of £1 each	8,990	8,990
1,010,000 (2016: 1,010,000) ordinary shares of £0.0001 each	-	-
	<u>8,990</u>	<u>8,990</u>
Allotted, called up and fully paid:		
Nil (2016: nil) ordinary shares of £1 each	-	-
1,010,000 (2016: 1,010,000) ordinary shares of £0.0001 each	-	-
	<u>-</u>	<u>-</u>

The Company has two classes of ordinary shares, which carry no rights to fixed income.

13 Deferred taxation

The Company has an unrecognised deferred tax asset of £335,000 (2016: £354,000). This has not been recognised in the financial statements as the Director does not believe the asset to be recoverable, given that the Company is not forecast to be profitable in future periods and interest income is not anticipated.

	Not recognised		Recognised	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Depreciation in excess of capital allowances, not provided	-	-	-	-
Unutilised trading losses	(335)	(354)	-	-
Deferred tax asset	<u>(335)</u>	<u>(354)</u>	<u>-</u>	<u>-</u>

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. As the earnings are continually reinvested by the group and there is no intention for these entities to pay dividends, no tax is expected to be payable on them in the foreseeable future.

On 8 July 2015 the UK government announced that the corporation tax rate would reduce from 20% to 19% with effect from 1 April 2017 and sets it at this rate for the financial years beginning 1 April 2018 and 2019. The rate will then be reduced by a further 1% to 18% for the financial year beginning 1 April 2020.

On 16 March 2016, the UK government announced that the corporation tax rate would be reduced to 17% with effect from 1 April 2020.

In accordance with the requirement set out in IAS 12 'Income taxes', the tax rate of 17% (2016: 18%) is used as the basis for the calculation of deferred taxes stated.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2017 (continued)

14 Related party transactions

Details of dividends paid are shown in the Director's report. During the year, the Company held the following balances with fellow subsidiaries:

Balances with related party		Receivable £'000	Payable £'000
Fellow subsidiaries	2017	4	(34,115)
Fellow subsidiaries	2016	4	(34,115)

Key management compensation and other related party transactions are disclosed in note 5, Director's emoluments. The Sole Director does not consider there to be any other members of key management. The Company has not entered into any other related party transactions as defined by IAS 24.

15 Ultimate controlling party

The Company is a wholly owned subsidiary of Richemont Holdings (UK) Limited (registered in England and Wales). The Sole Director regards Compagnie Financière Richemont S.A., a listed company incorporated in Switzerland, to be the ultimate controlling party. Copies of the financial statements of Compagnie Financière Richemont S.A. are available from its registered office at 50 Chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland.

16 Post balance sheet events

There were no significant events after the balance sheet date.