

## **RICHEMONT INVESTMENTS**

**Registered number: 2803362**

**Annual report and audited financial statements  
for the year ended 31 March 2019**

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# **RICHEMONT INVESTMENTS (Registered number: 2803362)**

## **Annual report for the year ended 31 March 2019**

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## **Director's Report for the year ended 31 March 2019**

The Director submits his report and the audited financial statements of Richemont Investments (the "Company") for the year ended 31 March 2019. The Company reports its financial results in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and IFRS Interpretations Committee interpretations (together, "IFRS").

### **Principal activities**

Richemont Investments is a private unlimited company incorporated on 25 May 1993 in the United Kingdom under the Companies Act 2006. The Company is a wholly owned subsidiary of Richemont Holdings (UK) Limited (registered in England and Wales). 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 and Retained Earnings on page 6 and show a pre-tax loss of £9,000 (2018: loss £13,000). Total shareholders' equity at 31 March 2019 was £741,000 (2018: £750,000).

### **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"), as the ultimate parent of the Company, 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](http://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 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 (2018: £nil).

## **Director's Report for the year ended 31 March 2019 (continued)**

### **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**

There is presently no Secretary appointed as the Company has elected to dispense with the role of Company Secretary.

### **Director's emoluments**

The Director did not receive any emoluments in respect of his services to the Company (2018: none).

### **Donations**

No donations or contributions for political purposes were made during the year (2018: none).

### **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% (2018: 17%) is used as the basis for the calculation of deferred taxes stated.

### **Going concern**

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In particular the Company is a member of the UK Cash Pool (see note 10) which means that the Company always has access to funding to meet its obligations as they fall due. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.


### **Post balance sheet events**

There were no significant events after the balance sheet date.

### **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

12 June 2019

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

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

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and IFRS Interpretations Committee interpretations (together "IFRS"). Under company law the 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 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 Director has complied with the above requirements in the preparation of the financial statements.

The 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 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

12 June 2019

# ***Independent auditors' report to the members of Richemont Investments***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Richemont Investments financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

We have audited the financial statements, included within the Annual report and audited financial statements (the "Annual Report"), which comprise: the Statement of Comprehensive Income and Retained Earnings, the Statement of Financial Position as at 31 March 2019 and the Statement of Cash Flows; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### ***Strategic Report and Director's Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

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## **Responsibilities for the financial statements and the audit**

### ***Responsibilities of the director for the financial statements***

As explained more fully in the Statement of Director's responsibilities set out on page 3, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as they 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### ***Auditors' 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 auditors' 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### ***Use of this report***

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.

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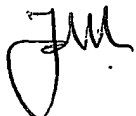
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

We have no exceptions to report arising from this responsibility.



James de Vuelle (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Jersey, Channel Islands  
17 June 2019

## **RICHEMONT INVESTMENTS (Registered number: 2803362)**

### **Statement of Comprehensive Income and Retained Earnings for the year ended 31 March 2019**

	Note	2019 £'000	2018 £'000
<b>Continuing operations</b>			
Revenue		-	-
Administrative expenses		(9)	(13)
<b>Operating loss and loss before taxation</b>		(9)	(13)
Income tax	7	-	(2)
<b>Loss for the year</b>		(9)	(15)
<b>Total comprehensive loss for the year</b>		(9)	(15)
<b>Retained Profits as at 1 April</b>		750	765
<b>Retained Profits as at 31 March</b>		741	750

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.



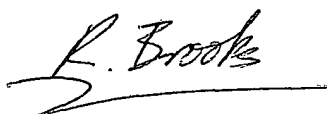
# **RICHEMONT INVESTMENTS (Registered number: 2803362)**

## **Statement of Financial Position as at 31 March 2019**

	Notes	2019 £'000	2018 £'000
<b>Assets</b>			
<b>Non current assets</b>			
Investments in subsidiary undertakings	8	<u>34,115</u>	<u>34,115</u>
<b>Current assets</b>			
Trade and other receivables	9	753	759
Cash and cash equivalents	10	<u>-</u>	<u>-</u>
		<b>753</b>	<b>759</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	<u>(34,127)</u>	<u>(34,124)</u>
<b>Net current liabilities</b>		<u><b>(33,127)</b></u>	<u><b>(33,365)</b></u>
<b>Net assets</b>		<u><b>741</b></u>	<u><b>750</b></u>
<b>Shareholders' equity</b>			
Share capital	12	-	-
Retained earnings		<u>741</u>	<u>750</u>
<b>Total shareholders' equity</b>		<u><b>741</b></u>	<u><b>750</b></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 Director on 12 June 2019:



Mr R J Brooks  
Director

# **RICHEMONT INVESTMENTS (Registered number: 2803362)**

## **Statement of Cash Flows for the year ended 31 March 2019**

	Notes	2019 £'000	2018 £'000
Cash used in operating activities	10 (b)	-	(773)
Net decrease in cash and cash equivalents		-	(773)
Cash and cash equivalents at 1 April		-	773
Cash and cash equivalents at 31 March	10 (a)	-	-

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 2019**

### **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 in 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 IFRS Interpretations Committee 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, subject to the revaluation of financial assets and financial liabilities at fair value through profit and loss.

#### **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 Director has 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 access to cash and its borrowings is given in notes 10 and 11 respectively.

#### **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 2019 (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. See note 9 for further information about the Company's accounting for trade receivables.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and it must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **Impairment of assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

#### **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 liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liabilities is settled.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

# **RICHEMONT INVESTMENTS (Registered number: 2803362)**

## **Notes to the financial statements for the year ended 31 March 2019 (continued)**

### **1 Summary of significant accounting policies (continued)**

#### **Deferred tax assets and liabilities (continued)**

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and the carry forward of unused tax losses can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and equity-accounted investments, except where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

#### **New standards and interpretations not yet adopted**

There are no new accounting standards and amendments, issued by the IASB and interpretations issued by the IFRS Interpretations Committee, which are not yet effective and have not been applied in preparing these financial statements.

### **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.

#### **(d) Price risk**

The Company has no significant price risk.

### **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 2019 (continued)**

### **4 Auditors' remuneration**

Auditors' remuneration for the year of £3,378 (2018: £7,521) has been borne by the Company and is summarised below.

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Auditors' remuneration		
- audit fees relating to PwC CI	<b>3</b>	<b>4</b>
- other services relating to other PwC entities	<b>-</b>	<b>3</b>

### **5 Director's emoluments and interests**

The Director who held office during the year received no emoluments in respect of his services to the Company (2018: £nil). The Director considers there are no other key management personnel.

### **6 Employee information**

There were no employees during the year (2018: nil).

### **7 Taxation**

Analysis of charge in the year:	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Current tax charge	<b>-</b>	<b>2</b>
<b>Taxation</b>	<b>-</b>	<b>2</b>
<b>Taxation reconciliation</b>	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Loss on ordinary activities before taxation	<b>(9)</b>	<b>(13)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	<b>(2)</b>	<b>(2)</b>
Effects of:		
Adjustments to tax charge in respect of previous periods	<b>-</b>	<b>2</b>
Deferred tax not recognised	<b>2</b>	<b>2</b>
<b>Total taxation charge</b>	<b>-</b>	<b>2</b>

## RICHEMONT INVESTMENTS (Registered number: 2803362)

### Notes to the financial statements for the year ended 31 March 2019 (continued)

#### 8 Investments in subsidiary undertakings

	2019	2018
Cost	£'000	£'000
At 1 April and 31 March	34,166	34,166
Provision for impairment		
At 1 April and 31 March	(51)	(51)
Carrying value		
At 31 March	34,115	34,115

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 Financière Richemont S.A., a company incorporated in Switzerland.

At 31 March 2019 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 £1 each
Alfred Dunhill International Limited	England and Wales	100%	Ordinary shares of £1 each
Richemont Limited	England and Wales	100%	Ordinary shares of £1 each
A. Dunhill Limited	England and Wales	100%	Ordinary shares of £1 each
Charatan Pipes	England and Wales	100%	Ordinary shares of £1 each
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 Vendôme Luxury Group (UK) BV.

On 30 April 2019 the following companies were dissolved: A. Dunhill Limited, Richemont Limited and Charatan Pipes.

## **RICHEMONT INVESTMENTS (Registered number: 2803362)**

### **Notes to the financial statements for the year ended 31 March 2019 (continued)**

#### **9 Trade and other receivables**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Other receivables	-	1
Amount due from parent	<b>753</b>	<b>758</b>
	<b>753</b>	<b>759</b>

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.

The amount due from parent consists of funds that have been swept in the UK Physical Cash Pool, see note 10.

#### **10 Cash and cash equivalents**

##### **(a) Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash at bank</b>	-	-

The Company has been part of the UK Physical Cash Pool, where the Company's bank account is swept to nil each evening, regardless whether the balance is positive or negative. This means that the Company always has access to funding to meet its obligations as they fall due. All cash is held by the Cash Pool Leader, Richemont Holdings (UK) Limited, the Company's immediate parent, see note 9.

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

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating loss</b>	<b>(9)</b>	<b>(13)</b>
Decrease/(increase) in trade and other receivables	<b>6</b>	<b>(755)</b>
Increase/(decrease) in trade and other payables	<b>3</b>	<b>(3)</b>
Tax paid	-	<b>(2)</b>
<b>Cash flows used in operating activities</b>	<b>-</b>	<b>(773)</b>



# RICHEMONT INVESTMENTS (Registered number: 2803362)

## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 11 Trade and other payables

	2019	2018
	£'000	£'000
Accruals	12	9
Amounts owed to subsidiary undertakings	34,115	34,115
	<u>34,127</u>	<u>34,124</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 deemed 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.

### 12 Share capital

	2019	2018
	£'000	£'000
<b>Authorised:</b>		
8,990,000 (2018: 8,990,000) ordinary shares of £1 each	8,990	8,990
1,010,000 (2018: 1,010,000) ordinary shares of £0.0001 each	-	-
	<u>8,990</u>	<u>8,990</u>
<b>Allotted, called up and fully paid:</b>		
Nil (2018: nil) ordinary shares of £1 each	-	-
1,010,000 (2018: 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 £340,000 (2018: £338,000). 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	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Depreciation in excess of capital allowances, not provided	-	-	-	-
Unutilised trading losses	(340)	(338)	-	-
<b>Deferred tax asset</b>	<u>(340)</u>	<u>(338)</u>	<u>-</u>	<u>-</u>

## **RICHEMONT INVESTMENTS (Registered number: 2803362)**

### **Notes to the financial statements for the year ended 31 March 2019 (continued)**

#### **13 Deferred taxation (continued)**

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% (2018: 17%) is used as the basis for the calculation of deferred taxes stated.

#### **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:

<b>Balances with related party</b>		<b>Receivable £'000</b>	<b>Payable £'000</b>
<b>Fellow subsidiaries</b>	<b>2019</b>	<b>753</b>	<b>(34,115)</b>
Fellow subsidiaries	2018	758	(34,115)

Key management compensation and other related party transactions are disclosed in note 5, Director's emoluments and interests. The 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 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**

On 30 April 2019 the following investments in subsidiary undertakings were dissolved: A. Dunhill Limited, Richemont Limited and Charatan Pipes.