RICHEMONT INVESTMENTS
Registered number: 2803362

Annual report and audited financial statements
for the year ended 31 March 2021

RICHEMONT INVESTMENTS (Registered number: 2803362)

Annual report for the year ended 31 March 2021

Contents

RICHEMONT INVESTMENTS (Registered number: 2803362)

Director's Report for the year ended 31 March 2021

The Director submits his report and the audited financial statements of Richemont Investments (the "Company") for the year ended 31 March 2021. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

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 8 and show a pre-tax loss of £14,000 (2020: loss £11,000). Total shareholders' equity at 31 March 2021 was £716,000 (2020: £730,000).

Business environment and future outlook

The Company continued to act as an 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).

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 (2020: £nil).

Director's Report for the year ended 31 March 2021 (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 (2020: none).

Donations

No donations or contributions for political purposes were made during the year (2020: none).

Corporation tax changes

At Summer Budget 2015, the UK government announced legislation setting the corporation tax rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016.

At Budget 2020, the UK government announced that the corporation tax rate (for all profits except ring fence profits) for the years commencing 1 April 2020 and 2021 will remain at 19%.

At Budget 2021, on 3 March 2021, the UK government announced the corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. Businesses with profits of £50,000 or less will continue to be taxed at 19% and a taper above £50,000 will be introduced so that only businesses with profits greater than £250,000 will be taxed at the full 25% rate. These changes were not substantively enacted until after 31 March 2021.

In accordance with the requirement set out in IAS 12 'Income taxes', the tax rate of 19% (2020: 19%) 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.

Impact of the Covid-19 outbreak

During the year ended 31 March 2021, the Covid-19 pandemic led to a significant slow-down of the global economy, temporary closures of the Group's sales network and distribution centres and an almost complete halt in international travel.

At the date of these financial statements, the impact and duration of the outbreak and the related measures taken to control it remain uncertain. In preparing these financial statements, these uncertainties have been considered throughout. The valuations of financial assets and liabilities carried at fair value reflect inputs at the balance sheet date. The Company has sufficient liquidity to meet its obligations and the credit risk arising from receivables is not considered to have significantly increased.

The Company's position remains that, despite a significant short-term impact, long-term market conditions remain unlikely to change. It continues to monitor on a regular basis the evolution of the pandemic and the related responses and to update its expectations when necessary.

Director's Report for the year ended 31 March 2021 (continued)

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

R. Brooks

Mr R J Brooks
Director

10 June 2021

RICHEMONT INVESTMENTS (Registered number: 2803362)

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 Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with IFRS. 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 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

R. Brooks

Mr R J Brooks
Director

10 June 2021

Independent auditors' report to the members of Richemont Investments

Report on the audit of the financial statements

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 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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: statement of financial position as at 31 March 2021; statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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 directors are 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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are 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 directors are 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 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.

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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of manual journal entries to manipulate the financial performance and the potential for management bias in accounting estimates and key judgements impacting the financial statements. Audit procedures performed by the engagement team included:

- enquiring with management and those charged with governance as to any actual or suspected instances of fraud or non-compliance with laws and regulations

- reviewing the minutes of meetings of the board of directors for matters relevant to the audit
- inspecting legal fee expenditure for any indication of undisclosed litigation or non-compliance with laws and regulations
- identification and testing of journal entries considered to be higher risk, including unusual journal entries posted, and evaluation of the business rationale of any significant or unusual transactions identified outside the normal course of business
- performing audit procedures to incorporate an element of unpredictability in relation to the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. 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.

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 obtained 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 Veulle (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey
14 June 2021

Statement of Comprehensive Income and Retained Earnings for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Continuing operations			
Revenue		-	-
Administrative expenses		(14)	(11)
Operating loss and loss before taxation		(14)	(11)
Income tax	7	-	-
Loss for the year		(14)	(11)
Total comprehensive loss for the year		(14)	(11)
Retained Profits as at 1 April		730	741
Retained Profits as at 31 March		716	730

The notes on pages 11 to 18 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 2021

	Notes	**2021**	2020
		£'000	£'000
Assets			
Non current assets			
Investments in subsidiary undertakings	8	**34,115**	34,115
Current assets			
Trade and other receivables	9	**730**	744
Cash and cash equivalents	10	**-**	-
		730	744
Liabilities			
Current liabilities			
Trade and other payables	11	**(34,129)**	(34,129)
Net current liabilities		**(33,399)**	(33,385)
Net assets		**716**	730
Shareholders' equity			
Share capital	12	**-**	-
Retained earnings		**716**	730
Total shareholders' equity		**716**	730

The notes on pages 11 to 18 form an integral part of these financial statements.

The financial statements on pages 8 to 18 were approved and authorised for issue by the Director on 10 June 2021:

R. Brooks

Mr R J Brooks
Director

RICHEMONT INVESTMENTS (Registered number: 2803362)

Statement of Cash Flows for the year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Cash used in operating activities	10 (b)	-	-
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at 1 April		-	-
Cash and cash equivalents at 31 March	10 (a)	-	-

The notes on pages 11 to 18 form an integral part of these financial statements.

RICHEMONT INVESTMENTS (Registered number: 2803362)

Notes to the financial statements for the year ended 31 March 2021

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 accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006. 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.

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.

1 Summary of significant accounting policies (continued)

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 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.

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.

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.

1 Summary of significant accounting policies (continued)

Adoption of new accounting standards

The Company has adopted the following accounting standard with effect from 1 April 2021. No other amendments to IFRS effective for the year ended 31 March 2021 have a material impact on the Company.

Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IAS (effective 1 January 2020). These amendments use a consistent definition of materiality throughout IAS and the Conceptual Framework for Financial Reporting, clarifies the explanation of material and incorporates some of the guidance in IAS 1 about immaterial information. No material impact has arisen from the Amendments to IAS 1 and IAS 8.

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 financial statements. Those which may be relevant to the Company are set out below.

Amendments to IAS 1 'Presentation of financial statements' on classification of liabilities (effective 1 January 2022). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. No material impact on profit for the future periods is expected.

Narrow scope amendments to IAS 1 'Presentation of financial statements', Practice statement 2 and IAS 8 (effective 1 January 2023). These amendments aim to improve accounting policy disclosures and to help the users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies. No material impact on profit for the future periods is expected.

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.

b) During the year ended 31 March 2021, the Covid-19 pandemic led to a significant slow-down of the global economy, temporary closures of the Group's sales network and distribution centers and an almost complete halt in international travel.

   At the date of these financial statements, the impact and duration of the outbreak and the related measures taken to control it remain uncertain. In preparing these financial statements, these uncertainties have been considered throughout. The valuations of financial assets and liabilities carried at fair value reflect inputs at the balance sheet date. The Company has sufficient liquidity to meet its obligations and the credit risk arising from receivables is not considered to have significantly increased.

   The Company's position remains that, despite a significant short-term impact, long-term market conditions remain unlikely to change. It continues to monitor on a regular basis the evolution of the pandemic and the related responses and to update its expectations when necessary. The amounts involved are disclosed elsewhere in the financial statements.

The amounts involved are disclosed elsewhere in the financial statements.

4 Auditors' remuneration

Auditors' remuneration for the year of £8,000 (2020: £5,300) has been borne by the Company and is summarised below.

	2021	2020
	£'000	£'000
Auditors' remuneration - audit fees	**8**	5

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 (2020: £nil). The Director considers there are no other key management personnel.

6 Employee information

There were no employees during the year (2020: nil).

Notes to the financial statements for the year ended 31 March 2021 (continued)

7 Taxation

Analysis of charge in the year:	**2021 £'000**	2020 £'000
Current tax charge	-	-
Taxation	-	-

Taxation reconciliation	**2021 £'000**	2020 £'000
Loss on ordinary activities before taxation	**(14)**	(11)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	**(3)**	(2)
Effects of:		
Deferred tax not recognised	**3**	2
Total taxation charge	-	-

8 *Investments in subsidiary undertakings*

	2021	2020
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 Financiere Richemont S.A., a company incorporated in Switzerland.

At 31 March 2021 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
F. Charatan & Son Limited	England and Wales	100%	Ordinary shares of £0.10 each

All 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.

Notes to the financial statements for the year ended 31 March 2021 (continued)

9 Trade and other receivables

	2021	2020
	£'000	£'000
Amount due from parent	729	744
Other receivables	1	-
	730	744

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

	2021	2020
	£'000	£'000
Cash at bank	-	-

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:

	2021	2020
	£'000	£'000
Operating loss	(14)	(11)
Decrease in trade and other receivables	14	9
Increase in trade and other payables	-	2
Cash flows used in operating activities	-	-

11 Trade and other payables

	2021	2020
	£'000	£'000
Accruals	14	14
Amounts owed to subsidiary undertakings	34,115	34,115
	34,129	34,129

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

	2021	2020
	£'000	£'000
Authorised:		
8,990,000 (2020: 8,990,000) ordinary shares of £1 each	8,990	8,990
1,010,000 (2020: 1,010,000) ordinary shares of £0.0001 each	-	-
	8,990	8,990
Allotted, called up and fully paid:		
Nil (2020: nil) ordinary shares of £1 each	-	-
1,010,000 (2020: 1,010,000) ordinary shares of £0.0001 each	-	-
	-	-

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 £396,000 (2020: £382,000). 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	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Unutilised trading losses	(396)	(382)	-	-
Deferred tax asset	(396)	(382)	-	-

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.

At Summer Budget 2015, the UK government announced legislation setting the corporation tax rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016.

At Budget 2020, the UK government announced that the corporation tax rate (for all profits except ring fence profits) for the years commencing 1 April 2020 and 2021 will remain at 19%.

At Budget 2021, on 3 March 2021, the UK government announced the corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. Businesses with profits of £50,000 or less will continue to be taxed at 19% and a taper above £50,000 will be introduced so that only businesses with profits greater than £250,000 will be taxed at the full 25% rate. These changes were not substantively enacted until after 31 March 2021.

In accordance with the requirement set out in IAS 12 'Income taxes', the tax rate of 19% (2020: 19%) 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:

Balances with related party		Receivable £'000	Payable £'000
Fellow subsidiaries	**2021**	**729**	**(34,115)**
Fellow subsidiaries	2020	744	(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

There were no significant events after the balance sheet date, the impact of Covid-19 is given in note 3.