

Registration number: 676533

# Harrods International Limited

Annual Report and Unaudited Financial Statements

for the Period ended 28 January 2017

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## **Harrods International Limited**

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## **Harrods International Limited**

### **Strategic Report for the Period ended 28 January 2017**

The Directors present their strategic report for the period ended 28 January 2017.

#### **Fair Review of the business**

There was a profit for the period after taxation amounting to £6,889k (2016: £6,517k). Dividends of £8,000k have been declared in relation to the year ended 28 January 2017 (2016: £7,000k).

#### **Future developments**

There are no significant planned future developments as at the balance sheet date.

#### **Principal risks and uncertainties**

The company is exposed to translation and transaction foreign exchange risk on overseas purchasing. Approximately 10% of the group's purchases are contracted in a foreign currency. The company's parent company provides currency hedging services to cover this.

#### **Key performance indicators**

There are no other KPI's required to be reported other than turnover and operating profit that would give a fuller understanding to the business.

Approved by the Board on 5 June 2017 and signed on its behalf by:



.....  
D J Webster  
Company secretary

## **Harrods International Limited**

### **Directors' Report for the Period ended 28 January 2017**

The Directors present their report and the financial statements for the period ended 28 January 2017.

#### **Principal activity**

The principal activities of the company are the operation of concessions at UK Airports and the export of branded food, garments and gift merchandise, under license.

#### **Results and dividends**

The profit for the period, after taxation, amounted to £6,889k (2016 - £6,517k).

#### **Directors of the Company**

The directors who held office during the period were as follows:

R L Assanand

Raine Countess Spencer (deceased 21 October 2016)

M Ward

J Edgar

#### **Employee involvement**

Information is provided regularly by means of normal management communication channels using written material, face to face meetings and team presentations.

Consultation with employees takes place through staff committees, health and safety committees and through normal recognised trade union channels. Employees are made aware of their contribution to the company through team meetings and updates as well as through individual performance appraisals.

#### **Disabled employees**

It is the policy of the company to give full and fair consideration to applications for employment from disabled persons, to continue wherever possible the employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons.

#### **Payment of creditors**

It is the company's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms. Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the company's policy is to pay suppliers within 30 days after the end of the month of receipt of goods or services. At period end the number of days payable outstanding was 33 days (2016: 34 days).

#### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## **Harrods International Limited**

### **Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 5 June 2017 and signed on its behalf.



D J Webster  
Company Secretary

Registered office:  
87 - 135 Brompton Road  
Knightsbridge  
London  
SW1X 7XL

## Harrods International Limited

### Profit and Loss Account for the Period ended 28 January 2017

		52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
	Note		
Turnover	2	87,385	83,854
Cost of sales		(42,839)	(40,519)
<b>Gross profit</b>		<b>44,546</b>	<b>43,335</b>
Distribution costs		(30,166)	(29,632)
Administrative expenses		(5,799)	(5,421)
<b>Operating profit</b>	3	<b>8,581</b>	<b>8,282</b>
Other interest receivable and similar income	7	72	52
Interest payable and similar expenses	6	-	(1)
<b>Profit before tax</b>		<b>8,653</b>	<b>8,333</b>
Taxation	8	(1,764)	(1,816)
<b>Profit for the financial period</b>		<b>6,889</b>	<b>6,517</b>

The notes on pages 8 to 20 form an integral part of these financial statements.

## **Harrods International Limited**

### **Statement of Comprehensive Income for the Period ended 28 January 2017**

	<b>52 weeks ended 28 January 2017 £000</b>	<b>52 weeks ended 30 January 2016 £000</b>
<b>Profit for the period</b>	<b>6,889</b>	<b>6,517</b>
Actuarial (losses)/gains on defined benefit pension schemes	(1,523)	606
Movement on deferred tax relating to pension deficit/(surplus)	267	(109)
	<b>(1,256)</b>	<b>497</b>
<b>Total comprehensive income for the period</b>	<b>5,633</b>	<b>7,014</b>

The notes on pages 8 to 20 form an integral part of these financial statements.

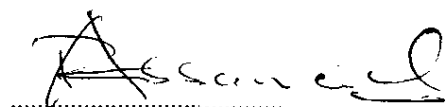
**Harrods International Limited**  
**(Registration number: 676533)**  
**Balance Sheet As at 28 January 2017**

	Note	28 January 2017 £000	30 January 2016 £000
<b>Fixed assets</b>			
Tangible assets	10	10,641	6,206
<b>Current assets</b>			
Stocks	12	14,125	13,657
Debtors	13	2,987	2,661
Cash at bank and in hand		9,874	13,362
		26,986	29,680
Creditors: Amounts falling due within one year	14	(18,908)	(15,987)
<b>Net current assets</b>		<b>8,078</b>	<b>13,693</b>
<b>Total assets less current liabilities</b>		<b>18,719</b>	<b>19,899</b>
Provisions for liabilities	15	(184)	(183)
<b>Net assets excluding pension asset/(liability)</b>		<b>18,535</b>	<b>19,716</b>
Net pension (liability)/asset	16	(509)	677
<b>Net assets</b>		<b>18,026</b>	<b>20,393</b>
<b>Capital and reserves</b>			
Profit and loss account		18,026	20,393
<b>Total equity</b>		<b>18,026</b>	<b>20,393</b>

For the financial period ending 28 January 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 5 June 2017 and signed on its behalf by:



R L Assanand  
Director



## Harrods International Limited

### Statement of Changes in Equity for the Period ended 28 January 2017

	<b>Profit and loss account £000</b>	<b>Total £000</b>
At 1 February 2015	20,379	20,379
Profit for the period	6,517	6,517
Other comprehensive income	497	497
<b>Total comprehensive income</b>	<b>7,014</b>	<b>7,014</b>
Dividends	(7,000)	(7,000)
<b>At 30 January 2016</b>	<b>20,393</b>	<b>20,393</b>
	<b>Profit and loss account £000</b>	<b>Total £000</b>
At 31 January 2016	20,393	20,393
Profit for the period	6,889	6,889
Other comprehensive income	(1,256)	(1,256)
<b>Total comprehensive income</b>	<b>5,633</b>	<b>5,633</b>
Dividends	(8,000)	(8,000)
<b>At 28 January 2017</b>	<b>18,026</b>	<b>18,026</b>

## **Harrods International Limited**

### **Notes to the Financial Statements for the Period ended 28 January 2017**

#### **1 Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

the requirements of Section 7 Statement of Cash Flows;  
the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);  
the requirements of Section 33 Related Party Disclosures.

This information is included in the consolidated financial statements of Harrods Limited, the UK parent undertaking, as at 28 January 2017 and these financial statements may be obtained from the Registrar of Companies.

##### **1.2 Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

##### **1.3 Royalties**

Royalties are recognised and expensed on an accruals basis in accordance with the substance of the relevant agreement.

##### **1.4 Tangible fixed assets and Depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives.

The estimated useful lives range as follows:

Plant and machinery between 3 and 10 years  
Fixtures and fittings between 3 and 10 years  
Other fixed assets between 3 and 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income Statement.

## **Harrods International Limited**

### **Notes to the Financial Statements for the Period ended 28 January 2017 (continued)**

#### **1 Accounting policies (continued)**

##### **1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value using weighted average cost.

##### **1.6 Dividends**

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **1.7 Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Deferred tax relating to defined benefit pension scheme surpluses or deficits is netted against the respective retirement benefit surplus or obligation .

##### **1.8 Foreign currency**

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date or at contracted forward rates. Transactions in foreign currency are translated at exchange rates ruling at the transaction date or at contracted forward rates. Realised gains and losses are dealt with in the profit and loss account.

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 1 Accounting policies (continued)

##### 1.9 Retirement benefit scheme

###### Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

###### Defined benefit scheme

Certain company employees are members of the Harrods Group Pension Plan under which retirement benefits are funded by contributions from the company. Payment is made to the pension trust, which is separate from the company, in accordance with calculations made periodically by consulting actuaries.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet.

A net surplus is recognised only to the extent that it is recoverable by the company. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits includes the interest cost on the scheme liabilities for the period and the interest income on the scheme assets and are included in finance costs. In addition, administrative expenses which are funded by the group are also charged to the profit and loss account under operating costs.

Actuarial gains and losses including return on assets in excess or short of the interest income as well as movement in the liabilities due to changes in assumptions net of the interest costs as well as experience adjustments are recorded in other comprehensive income.

Disclosure has been made of the assets and liabilities under FRS102 sections 28.41 and 28.41A.

#### 2 Analysis of Turnover

Analysis of turnover by country destinations:

	<b>52 weeks ended 28 January 2017 £000</b>	<b>52 weeks ended 30 January 2016 £000</b>
United Kingdom	83,321	78,434
Rest of the world	3,998	4,820
Rest of Europe	66	600
	<hr/> 87,385	<hr/> 83,854

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 3 Operating profit

The operating profit is stated after charging/(crediting)

	52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
Depreciation expense	2,418	2,022
Royalty income	(950)	(1,312)
Royalties payable	2,780	2,647

#### 4 Employees

The aggregate payroll costs (including directors' remuneration) were as follows:

	52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
Wages and salaries	7,602	7,538
Social security costs	682	649
Pension costs, defined contribution scheme	218	247
	8,502	8,434

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	52 weeks ended 28 January 2017 No.	52 weeks ended 30 January 2016 No.
Administration and support	20	22
Sales, marketing and distribution	222	228
	242	250

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 5 Directors' remuneration

During the period retirement benefits were accruing for 0 director (2016: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £342k (2016: £253 k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3k (2016 £21k).

The value of emoluments incurred directly by the company was £342k (2016: £253k). Emoluments include £nil (2016: £nil) incurred by parent undertakings.

#### 6 Interest payable and similar expenses

	52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
Other finance costs	-	1

#### 7 Other interest receivable and similar income

	52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
Interest receivable from group companies	38	52
Other finance income	34	-
	<u>72</u>	<u>52</u>

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 8 Taxation

Tax charged/(credited) in the income statement

	52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
<b>Current taxation</b>		
Group relief payable for the period	1,856	1,743
Foreign tax	32	29
Adjustments in respect of previous periods	(13)	(33)
	<u>1,875</u>	<u>1,739</u>
<b>Deferred taxation</b>		
Origination and reversal of timing difference	(109)	42
Adjustments in respect of prior years	(2)	35
Total deferred taxation	<u>(111)</u>	<u>77</u>
Tax expense in the income statement	<u>1,764</u>	<u>1,816</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 20% (2016 - 20.16%).

The differences are reconciled below:

	52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
Profit before tax	<u>8,653</u>	<u>8,333</u>
Corporation tax at standard rate	1,731	1,680
Tax rate changes	36	(26)
(Income)/expenses not deductible	(6)	160
Adjustments in respect of prior periods	<u>3</u>	<u>2</u>
Total tax charge	<u>1,764</u>	<u>1,816</u>

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 8 Taxation (continued)

##### Tax relating to items recognised in other comprehensive income or equity

	52 weeks ended 28 January 2017 £000	52 weeks ended 30 January 2016 £000
Current tax related to items recognised as items of other comprehensive income	(267)	109

##### Deferred tax

##### Deferred tax assets and liabilities

The standard rate of tax applied to profit on ordinary activities is 20% (2016: 20.16%). The Finance (No 2) Act 2015 introduced a reduction in the corporation tax rate to 19% from 1 April 2017. The Finance Act 2016 further reduces the corporation tax rate to 17% from 1 April 2020 (previously 18%).

As a result, deferred tax balances have been calculated using 17% on the basis that the assets/liabilities are expected to unwind over a number of years.

	28 January 2017 £000	30 January 2016 £000
Fixed asset timing differences	317	143
Short term timing differences	87	64
Pension Scheme	86	(149)
Deferred tax asset	490	58

#### 9 Dividends

	28 January 2017 £000	30 January 2016 £000
Declared: £153,846 (2016 - £134,615) per £1 share	8,000	7,000



## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 10 Tangible assets

	Fixtures and Fittings £000	Other Fixed Assets £000	Plant and Machinery £000	Total £000
<b>Cost or valuation</b>				
At 31 January 2016	12,518	722	1,214	14,454
Additions	7,079	(177)	42	6,944
Disposals	(3,345)	-	(654)	(3,999)
At 28 January 2017	16,252	545	602	17,399
<b>Depreciation</b>				
At 31 January 2016	7,298	-	950	8,248
Charge for the year	2,297	-	119	2,416
Eliminated on disposal	(3,328)	-	(578)	(3,906)
At 28 January 2017	6,267	-	491	6,758
<b>Carrying amount</b>				
At 28 January 2017	9,985	545	111	10,641
At 30 January 2016	5,220	722	264	6,206

#### 11 Investments in subsidiaries

	28 January 2017 £000
<b>Subsidiaries</b>	
<b>Cost</b>	
At 31 January 2016 and 28 January 2017	6
<b>Impairment</b>	
At 31 January 2016 and 28 January 2017	6
<b>Carrying amount</b>	
At 31 January 2016 and 28 January 2017	-

The fixed asset investment of £nil (2016: £nil) represents the net book value of 5,753 ordinary shares held in the wholly owned non-trading subsidiary undertaking Wylie and Company Limited, a company registered in England and Wales.

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 12 Stocks

	28 January 2017 £000	30 January 2016 £000
Finished goods and goods for resale	14,125	13,657

#### 13 Debtors

	28 January 2017 £000	30 January 2016 £000
Trade debtors	2,167	1,956
Amounts owed by group undertakings	-	137
Other debtors	192	162
Prepayments and accrued income	138	165
Deferred tax assets	490	241
Total current trade and other debtors	2,987	2,661

#### 14 Creditors

	28 January 2017 £000	30 January 2016 £000
<b>Due within one year</b>		
Trade creditors	3,736	2,965
Amounts owed to group undertakings	11,533	9,982
Other creditors	324	108
Corporation tax	1,856	1,710
Accruals and deferred income	1,459	1,222
	18,908	15,987

Amounts owed to group undertakings includes a balance due to Harrods Limited, which is non interest bearing and is repayable on demand by the lender. At the period end, the balance outstanding was £11,527k (2016: £9,977k).

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 15 Creditors: amounts falling due after more than one year

	28 January 2017 £000	30 January 2016 £000
Accruals	184	183

#### 16 Pension commitments

##### Defined contribution pension scheme

The Group operates the Harrods Retirement Savings Plan, which is an approved defined contribution scheme; it was established in April 2006 and is provided and managed by Fidelity International.

The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £210k (2016 - £238k).

##### Defined benefit pension schemes

During the period the group operated the Harrods Group Pension Plan ("the Plan"), an approved defined benefit scheme. This scheme was closed to new membership and new accruals in April 2006.

The funding position of the Plan is monitored by the Trustees and the Harrods Group on a quarterly basis and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004.

An actuarial valuation of the Plan as at 5 April 2015 on a Scheme Specific Funding basis was carried out by the Scheme Actuary. The deficit on this basis was £45m as at 5 April 2015, a funding level of 93%. At the previous valuation at 5 April 2012, the shortfall was £77m equating to a funding level of 85%.

A revised recovery plan was subsequently agreed. In order for the Plan to be fully funded by 31 March 2021, the Trustees and Principal Employer agreed the following on 24 March 2016:

- Annual contributions totalling £5.0m per annum payable in each of 2016, 2017, 2018, 2019, 2020 with a final payment of £1.25m in March 2021.
- Plan expenses (including any insurance premiums and PPF levies) estimated at £1.0m per annum to continue to be met by the Employers.
- A number of changes to the investment strategy to be implemented with the aim of de-risking the plan.
- Recognising the risks inherent in the performance of the financial markets during the deficit correction period, the principal employer has also agreed to fund any deficits outside an agreed tolerance band during this period.

During the period ended 28 January 2017, the participating employers made total contributions to the plan of £6.5m (2016: £20.3m).

Due to the deficits falling below the lower agreed tolerance band as indicated above for three consecutive quarters in the period, the participating employers will be making additional contributions in the following year ending 3rd February 2018, commencing with £7.2m in March 2017 and to be reassessed quarterly thereafter. The additional payments will cease once the deficit recovers above the lower tolerance band.

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 16 Pension commitments (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	28 January 2017 £000	30 January 2016 £000
Fair value of scheme assets	16,774	14,945
Present value of defined benefit obligation	(17,283)	(14,268)
Defined benefit pension scheme (deficit)/surplus	(509)	677

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	28 January 2017 £000
Present value at start of period	(14,268)
Interest cost	(518)
Benefits paid	440
Effect of change in assumptions	(3,749)
Effect of experience adjustments	563
Transfers (change in allocation between contributing employers)	100
Transfers and other adjustments	149
Present value at end of period	(17,283)

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	28 January 2017 £000
Fair value at start of period	14,945
Interest income	552
Return on plan assets, excluding amounts included in interest income/(expense)	1,669
Employer contributions	181
Benefits paid	(440)
Transfers (change in allocation between contributing employers)	(106)
Administrative Expenses paid from plan assets	(27)
Fair value at end of period	16,774

## Harrods International Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 16 Pension commitments (continued)

##### Analysis of assets

The major categories of scheme assets are as follows:

	28 January 2017 £000	30 January 2016 £000
Cash and cash equivalents	1,828	426
Equity instruments	2,332	4,984
Debt instruments	6,928	6,107
Other assets	5,686	3,428
	16,774	14,945

##### Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	28 January 2017 %	30 January 2016 %
Discount rate	2.85	3.75
Future pension increases	2.45	2.20
Inflation	3.45	3.00

##### *Post retirement mortality assumptions*

	28 January 2017 Years	30 January 2016 Years
Current UK pensioners at retirement age - male	28.1	28.2
Current UK pensioners at retirement age - female	29.9	29.9
Future UK pensioners at retirement age - male	30.4	30.4
Future UK pensioners at retirement age - female	32.3	32.2

#### 17 Share capital

##### Allotted, called up and fully paid shares

	28 January 2017		30 January 2016	
	No.	£	No.	£
52 ordinary shares of 1 each	52	52	52	52

**Authorised:** 100 ordinary shares of £1 each

## **Harrods International Limited**

### **Notes to the Financial Statements for the Period ended 28 January 2017 (continued)**

#### **18 Commitments**

##### **Capital commitments**

At 28 January 2017 the company had commitments under concession agreements with Heathrow Airport Limited and Gatwick Airport Limited which were contracted for but not provided for in these financial statements of £8,833k as at the period end (2016: £6,965k).

The company had capital commitments of £34k at 28 January 2017 (2016: £4,122k).

#### **19 Contingent liabilities**

The Harrods Group (Holding) Group's cash netting facility is guaranteed by Harrods International Limited and other Group companies.

There were no contingent liabilities at 28 January 2017 or 30 January 2016.

#### **20 Related party transactions**

During the period the company has undertaken transactions, in the ordinary course of business, with related parties under the control of the group's ultimate controlling party. The value of these transactions is not considered to be material.

The company has taken advantage of the exemption in FRS102, section 33 "Related Party Disclosures" from disclosing transactions with other members of the group.

#### **21 Parent and ultimate parent undertaking**

The company's immediate parent undertaking is Harrods Limited, a company registered in England and Wales. The ultimate UK parent undertaking of Harrods Limited is Harrods Group (Holding) Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) Limited. The smallest such group of undertakings for which group accounts have been drawn up is headed by Harrods Limited.

The company is an indirect 100% subsidiary of Qatar Holding LLC which is the strategic investment arm of Qatar Investment Authority, the ultimate controlling party.