

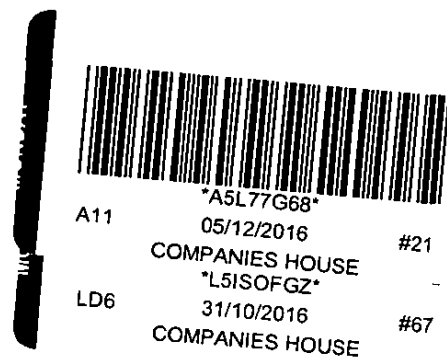
Registered number: 1889348

Harrods (UK) Limited

Unaudited

Directors' Report and Financial Statements

For the Period Ended 30 January 2016



Harrods (UK) Limited

Contents

	Page
Directors' Report	1 - 2
Profit and Loss Account	3
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Equity	6 – 7
Notes to the Financial Statements	8 - 20

Harrods (UK) Limited

Directors' Report For the Period Ended 30 January 2016

The directors present their report and the financial statements for the period ended 30 January 2016

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company. It also holds fixed asset properties and investments. The principal subsidiaries of the company are retail businesses.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £101.5m (2015 - £104.5m)

The directors paid dividends of £100.1m (2015 - £103.0m)

DIRECTORS

The directors who served during the period were

H. E. H. A. Al-Abdulla (resigned 2 February 2015)

H. E. A. M. Al-Sayed (resigned 2 February 2015)

M. A. Ward

J. P. Edgar

J. P. Healy

D. R. Parker (resigned 16 March 2015)

LIQUIDITY RISK

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

INTEREST RATE RISK

The company finances its operations principally through retained earnings as the company no longer has any external borrowings. Excess cash balances are placed on deposit to earn higher rates of interest.

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.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

Harrods (UK) Limited

Directors' Report For the Period Ended 30 January 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 then apply them consistently,
- make judgments 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 7 June 2016 and signed on its behalf



D J Webster
Company secretary

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

Harrods (UK) Limited

Profit and Loss Account For the Period Ended 30 January 2016

		52 weeks ended 30 January 2016 £M	<i>52 weeks ended 31 January 2015 £M</i>
	Note		
Administrative expenses		<u>(0.2)</u>	<u>(0 1)</u>
Operating loss		(0.2)	(0 1)
Other income		100.1	103 0
Interest receivable and similar income	5	<u>1.9</u>	<u>1 9</u>
Profit before tax		101.8	104 8
Tax on profit	6	<u>(0.3)</u>	<u>(0 3)</u>
Profit for the period		<u>101.5</u>	<u>104.5</u>

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

Harrods (UK) Limited

Statement of Comprehensive Income For the Period Ended 30 January 2016

		52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
	Note		
Profit for the financial period		101.5	104.5
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension schemes	16	2.4	(3.4)
Movement on deferred tax relating to a defined benefit pension asset/(liability)		(0.4)	0.6
Other comprehensive income for the period		2.0	(2.8)
Total comprehensive income for the period		103.5	101.7

Harrods (UK) Limited
Registered number: 1889348

Balance Sheet
As at 30 January 2016

	Note	30 January 2016 £M	31 January 2015 £M
Fixed assets			
Tangible fixed assets	8	2.5	2.5
Fixed asset investments	9	742.6	742.6
		<u>745.1</u>	<u>745.1</u>
Current assets			
Debtors amounts falling due after more than one year	10	26.3	211.3
Debtors amounts falling due within one year	10	184.6	0.4
Bank and cash balances		4.9	4.5
		<u>215.8</u>	<u>216.2</u>
Creditors amounts falling due within one year	11	(120.7)	-
Net current assets		<u>95.1</u>	<u>216.2</u>
Total assets less current liabilities		<u>840.2</u>	<u>961.3</u>
Creditors amounts falling due after more than one year	12	-	(120.7)
Provisions for liabilities			
Deferred tax		(0.4)	(0.4)
		<u>(0.4)</u>	<u>(0.4)</u>
Pension liability/asset	16	2.7	(1.1)
Net assets		<u><u>842.5</u></u>	<u><u>839.1</u></u>
Capital and reserves			
Called up share capital	13	6.1	6.1
Share premium account		218.0	218.0
Investment property reserve		0.2	0.2
Merger reserve		576.0	576.0
Profit and loss account		42.2	38.8
		<u><u>842.5</u></u>	<u><u>839.1</u></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2016


J P Edge
Director

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

Harrods (UK) Limited

Statement of Changes in Equity
As at 30 January 2016

	Share capital	Share premium	Investment property revaluation reserve	Merger reserve	Retained earnings	Total equity
	£M	£M	£M	£M	£M	£M
At 1 February 2015	6.1	218.0	0.2	576.0	38.8	839.1
Comprehensive income for the period						
Profit for the period	-	-	-	-	101.5	101.5
Actuarial gains on pension scheme	-	-	-	-	2.0	2.0
Other comprehensive income for the period	-	-	-	-	2.0	2.0
Total comprehensive income for the period	-	-	-	-	103.5	103.5
Contributions by and distributions to owners						
Dividends	-	-	-	-	(100.1)	(100.1)
Total transactions with owners	-	-	-	-	(100.1)	(100.1)
At 30 January 2016	6.1	218.0	0.2	576.0	42.2	842.5

Harrods (UK) Limited

Statement of Changes in Equity
As at 31 January 2015

	Share capital	Share premium	Investment property revaluation reserve	Merger reserve	Retained earnings	Total equity
	£M	£M	£M	£M	£M	£M
At 2 February 2014	6.1	218.0	0.2	576.0	40.1	840.4
Profit for the period	-	-	-	-	104.5	104.5
Actuarial losses on pension scheme	-	-	-	-	(2.8)	(2.8)
Other comprehensive income for the period	-	-	-	-	(2.8)	(2.8)
Total comprehensive income for the period	-	-	-	-	101.7	101.7
Contributions by and distributions to owners						
Dividends	-	-	-	-	(103.0)	(103.0)
Total transactions with owners	-	-	-	-	(103.0)	(103.0)
At 31 January 2015	6.1	218.0	0.2	576.0	38.8	839.1

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

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost 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

Information on the impact of first time adoption of FRS 102 is given in note 19

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

Application of FRS 102 is required for all accounting periods beginning on or after 1 January 2015 (the effective date). This is the first year of adoption for the Company. In accordance with section 35.6 the standard has been applied to all comparatives (reported balances for financial periods ending 31 January 2015 and 1 February 2014) and related information

1.2 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 paragraph 33.7

This information is included in the consolidated financial statements of Harrods Group (Holding) Limited, the ultimate UK parent undertaking, as at 30 January 2016 and these financial statements may be obtained from the Registrar of Companies

1.3 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

Land	-	Not depreciated
Freehold property	-	20 - 35 years
Long-term leasehold property	-	35 years

1.4 Investments

Investments are included at cost less amounts written off

1.5 Dividends

Revenue is recognised when the Group's right to receive payment is established

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

1. Accounting policies (continued)

1.6 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.

1.7 Contributions to pension schemes

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 corporate 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. Other Income

	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Dividends received from group undertakings	100.1	103.0

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL)

4. Directors' remuneration

Remuneration in respect of directors for qualifying services was £2.8m (2015 £2.3m)

Included in emoluments for the period ended 30 January 2016 are pension contributions of £49,551 (2015 £77,705)

The value of emoluments incurred directly by the company was £nil (2015 £nil). Emoluments incurred by the group's subsidiary undertakings was £2.8m (2015 £2.3m). Emoluments include £nil (2015 £nil) incurred by parent undertakings.

There is 1 director to whom retirement benefits are accruing under a defined benefit pension scheme (2015 2) and 2 directors to whom retirement benefits are accruing under a defined contribution scheme (2015 3).

The amounts set out above include remuneration in respect of the highest paid director of £1.6m (2015 £1.3m).

The highest paid director's accrued pension at the period end was £nil (2015 £nil).

5. Interest receivable

	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Interest receivable from group companies	1.9	1.9
	<u>1.9</u>	<u>1.9</u>

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

6. Taxation

	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Current tax		
Group relief receivable for the period	(0.1)	-
Total current tax	<u>(0.1)</u>	<u>-</u>
Deferred tax		
Deferred tax arising on pension scheme movements	0.4	0.3
Total deferred tax	<u>0.4</u>	<u>0.3</u>
Taxation on profit on ordinary activities	<u>0.3</u>	<u>0.3</u>
Total current and deferred tax relating to items within other comprehensive income	<u>0.4</u>	<u>(0.6)</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.16% (2015 - 21.32%). The differences are explained below

	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Profit on ordinary activities before tax	<u>101.8</u>	<u>104.8</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.16% (2015 - 21.32%)	20.5	22.4
Effects of:		
Dividends from UK companies	(20.2)	(22.0)
Adjustment to tax charge in respect of tax rate changes	-	(0.1)
Total tax charge for the period	<u>0.3</u>	<u>0.3</u>

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

6. Taxation (continued)

Factors that may affect future tax charges

The standard rate of tax applied to profit on ordinary activities is 20 16% (2015 21 32%) The tax rate for the year has reduced following the gradual reduction of the corporation tax rates introduced in Finance Act 2013, with a tax rate of 20% applicable from 1 April 2015

Following the substantive enactment of Finance (No 2) Act 2015 on 18 November 2015, future tax rates will further decrease from 20% to 19% from 1 April 2017 and then down to 18% from 1 April 2020 As a result, deferred tax balances have been calculated using 18% on the basis that the assets/liabilities are expected to unwind over a number of years

On 16 March 2016 the Chancellor of the exchequer announced in his Budget that corporation tax rates will further decrease to 17% and this will replace the expected decrease to 18% from 1 April 2020

Deferred Tax

Deferred tax provided for at 18% (2015 18%) in the financial statements is set out below

	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Investment property revaluations	(0.4)	(0.4)
Defined benefit pension scheme (liability)/asset	(0.6)	0.2
Total deferred tax liability	<u>(1.0)</u>	<u>(0.2)</u>

7 Dividends

	30 January 2016 £M	31 January 2015 £M
Declared £16.42p (2015 £16.89p) per £1 share	<u>100.1</u>	<u>103.0</u>

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

8. Tangible fixed assets

	Freehold property	Long-term leasehold property	Total
	£M	£M	£M
Cost or valuation			
At 1 February 2015	0.5	2.1	2.6
Additions	-	0.1	0.1
At 30 January 2016	0.5	2.2	2.7
Depreciation			
At 1 February 2015	-	0.2	0.2
At 30 January 2016	-	0.2	0.2
At 30 January 2016	0.5	2.0	2.5
At 31 January 2015	0.5	2.0	2.5

9. Fixed asset investments

	Investments in subsidiary companies
	£M
Cost at 1 February 2015 and at 30 January 2016	742.6
Net book value at 30 January 2016 and at 31 January 2015	742.6

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

9. Fixed asset investments (continued)

The principal subsidiary undertakings operating in the United Kingdom at 30 January 2016 are

Name	Country of registration	Principal activity
Harrods Limited *	England and Wales	Department store
Harrods International Limited	England and Wales	Tax free retailer and wholesaler
Harrods (Continental) Limited	England and Wales	Exporter
Harrods Estates Limited	England and Wales	Estate agency
PL Management Limited	England and Wales	Property Management
Harrods Estates Paris S A	France	Property Management
Harrods Commercial Property Limited	England and Wales	Property Management
Harrods Property Limited	England and Wales	Property Management
Genavco Holdings Limited	England and Wales	Holding company
Genavco Insurance Limited	England and Wales	Insurance broker
Harrods Nominees Limited	England and Wales	Dormant company
Wylie and Company Limited	England and Wales	Dormant company
Featurecode 2A Holdings	England and Wales	Dormant company
Featurecode 2A	England and Wales	Dormant company
Harrods Management Limited	England and Wales	Dormant company
Harrods Watches Limited	England and Wales	Dormant company
Harrods Group Trustees Limited	England and Wales	Dormant company

* the whole of the issued ordinary share capital of this company is owned directly by Harrods (UK) Limited. The whole of the ordinary shares capital in the other companies is held by intermediate holding companies

10. Debtors

	30 January 2016 £M	31 January 2015 £M
Due after more than one year		
Amounts owed by group undertakings	26.3	211.3
	<u>26.3</u>	<u>211.3</u>
	30 January 2016 £M	31 January 2015 £M
Due within one year		
Amounts owed by group undertakings	184.5	0.4
Other debtors	0.1	-
	<u>184.6</u>	<u>0.4</u>

Amounts owed by group undertakings include a non-interest bearing loan account, repayable on demand with Harrods Holdings Limited of £184.1m (2015: due after more than one year £184.1m)

Amounts previously classified as Debtors due after more than one year relate to amounts due from Group undertakings. On 6th November 2015, the terms of the loan(s) were amended to become payable on demand and have now been reclassified as amounts due within one year.

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

11. Creditors: Amounts falling due within one year

	30 January 2016 £M	31 January 2015 £M
Amounts owed to group undertakings	120.7	-
	<u>120.7</u>	<u>-</u>

Amounts owed to group undertakings include a non-interest bearing loan account, repayable on demand by the lender, with Harrods Limited of £120.7m (2015: due after more than one year £120.7m)

Amounts previously classified as Creditors due after more than one year relate to amounts due to Group undertakings. On 6th November 2015, the terms of the loan(s) were amended to become payable on demand and have now been reclassified as amounts due within one year.

12. Creditors: Amounts falling due after more than one year

	30 January 2016 £M	31 January 2015 £M
Amounts owed to group undertakings	-	120.7
	<u>-</u>	<u>120.7</u>

13. Share capital

	30 January 2016 £M	31 January 2015 £M
Authorised		
10,000,000- Ordinary shares of £1 each	<u>10.0</u>	<u>10.0</u>
Allotted, called up and fully paid		
6,098,118- Ordinary shares of £1 each	<u>6.1</u>	<u>6.1</u>

Each ordinary share represents one vote. There are no restrictions or preferences placed on these shares.

14. Commitments

The company had no capital commitments at 30 January 2016 or 31 January 2015.

15. Contingent liabilities

The Harrods Group (Holding) Group's cash netting facility is guaranteed by Harrods (UK) Limited and other group companies. There are no other contingent liabilities at 30 January 2016 or 31 January 2015.

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

16 Pension commitments

The Company operates a Defined Benefit Pension Scheme

Defined benefit pension scheme

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 30 January 2016, the participating employers made total contributions to the plan of £20.3m (2015: £15.9m).

Reconciliation of present value of plan liabilities

	30 January 2016 £M	<i>31 January 2015 £M</i>
At the beginning of the year	(61.9)	(53.8)
Interest cost	(1.9)	(2.3)
Actuarial gains/losses	6.5	(9.8)
Deferred tax on actuarial gain/loss	(0.8)	0.2
Benefits paid	1.5	1.6
Transfers	-	2.2
At the end of the year	<u>(56.6)</u>	<u>(61.9)</u>

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

16. Pension commitments (continued)

Reconciliation of present value of plan assets

	30 January 2016 £M	31 January 2015 £M
At the beginning of the year	60.8	54.2
Interest income	1.9	2.3
Actuarial gains/losses	(4.1)	6.3
Contributions	2.3	1.8
Benefits paid	(1.5)	(1.6)
Transfers	(0.1)	(2.2)
At the end of the year	59.3	60.8

In the prior year, pension scheme (liabilities)/assets were reallocated between participating employers in the group based on the latest analysis provided by the actuaries. The allocation adjustment was disclosed under the "Transfer" line in the reconciliation of scheme (liabilities)/assets above.

Composition of plan assets

	30 January 2016 £M	31 January 2015 £M
Equities	19.8	19.8
Debt instruments	24.2	24.6
Cash	1.7	5.6
Total return investments	13.6	10.8
Total plan assets	59.3	60.8

	30 January 2016 £M	31 January 2015 £M
Fair value of plan assets	59.3	60.8
Present value of plan liabilities	(56.6)	(61.9)
Net pension scheme liability	2.7	(1.1)

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income since 1 January 2002 is £22.4m (2015: 25.3m).

Harrods (UK) Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

16. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages)

	2016	2015
Discount rate	3.75%	3.20%
Inflation	3.00%	2.70%
Future pension increases	2.20%	1.90%
Expected return on scheme assets - equity	- %	5.10%
Expected return on scheme assets - cash	- %	1.40%
Expected return on scheme assets - other	- %	3.20%

Post retirement (at age 60) mortality assumptions

Current pensioners at retirement age	28.0	28.2
Current pensioners at retirement age	29.9	30.5
Current pensioners at retirement age	30.4	30.7
Current pensioners at retirement age	<u>32.2</u>	<u>33.0</u>

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2016 £M	2015 £M	2014 £M	2013 £M	2012 £M
Fair value of scheme assets	59.3	60.8	54.2	52.9	49.5
Present value of scheme liabilities	(56.6)	(61.9)	(53.8)	(52.1)	(49.2)
Surplus/(Deficit)	<u>2.7</u>	<u>(1.1)</u>	<u>0.4</u>	<u>0.8</u>	<u>0.3</u>

17. Related party transactions

The company has taken advantage of the exemption in FRS102, 33.7 "Related Party Disclosures" from disclosing transactions with other members of the group

There are no other related party transactions

18. Controlling party

The company's immediate parent undertaking is Harrods Holdings Limited, a company incorporated in the United Kingdom. The ultimate UK parent undertaking of Harrods Holdings Limited is Harrods Group (Holding) Limited. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) Limited. The group accounts will be filed with the Registrar of Companies in due course.

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.

19. First time adoption of FRS 102

The company transitioned to FRS102 from previously extant UK GAAP as at 1 February 2015. The impact of the transition to FRS102 is as follows

Reconciliation of Balance Sheet

	As previously stated 1 February 2014 £M	Effect of transition 1 February 2014 £M	FRS 102 (as restated) 1 February 2014 £M	As previously stated 31 January 2015 £M	Effect of transition 31 January 2015 £M	FRS 102 (as restated) 31 January 2015 £M
Fixed assets	743.2	1.9	745.1	743.2	1.9	745.1
Current assets	212.1	-	212.1	216.2	-	216.2
Net current assets	212.1	-	212.1	216.1	0.1	216.2
Total assets less current liabilities	955.3	1.9	957.2	959.3	2.0	961.3
Creditors' amounts falling due after more than one year	(116.6)	-	(116.6)	(120.7)	-	(120.7)
Provisions for liabilities	-	-	-	(1.0)	(0.5)	(1.5)
Net assets	838.7	1.9	840.6	837.6	1.5	839.1
Capital and reserves	838.7	1.9	840.6	837.6	1.5	839.1

Harrods (UK), Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

19 First time adoption of FRS 102 (continued)

Reconciliation of Profit and Loss

	As previously stated 31 January 2015 £M	Effect of transition 31 January 2015 £M	FRS 102 (as restated) 31 January 2015 £M
Administrative expenses	(0.1)	-	(0.1)
Operating profit	(0.1)	-	(0.1)
Income from shares in group undertakings	103.0	-	103.0
Interest receivable and similar income	2.3	(0.4)	1.9
Taxation	(0.5)	0.2	(0.3)
Profit on ordinary activities after taxation and for the financial period	104.7	(0.2)	104.5

Explanation of changes to previously reported profit and equity

1 Defined benefit pension scheme

UK GAAP previously allowed multi-employer exemption in companies to not reflect the defined benefit plan surplus or deficit in individual company accounts. Under FRS 102 this exemption has been removed. As a result the net surplus at 1 February 2014 (£0.4m), and the related deferred tax has now been recognised, and the impact carried forward into successive periods.

2 Investment property revaluation

Under FRS102 investment properties have been revalued retrospectively (increase of £1.9m at 31 January 2015 and 1 February 2014) and the fair value adjustment recorded in profit or loss, the related deferred tax liability has also been recognised (£0.4m).