
HERMÈS HOLDING GB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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HERMÈS HOLDING GB LIMITED

COMPANY INFORMATION

Director E du Halgouet

Registered number 02945120

Registered office 8 Hinde Street
London
W1U 3BQ

Independent auditor Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor,
30 Finsbury Square
London
EC2A 1AG

Bankers HSBC Bank plc
102 Brompton Road
London
SW3 1JJ

Solicitors Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London
EC4A 1BL

HERMÈS HOLDING GB LIMITED

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HERMÈS HOLDING GB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Director presents his Strategic Report of Hermès Holding GB Limited (the "Company") for the year ended 31 December 2021.

Principal activities

The principal activity of the Company continues to be that of a holding company.

Business review

The results show a loss for the financial year of £897k (2020: £120k). The Company had net assets of £17,203k (2020: £18,100k). The director is satisfied with the performance of the Company.

The ultimate parent and controlling party is Hermès International, a company incorporated in France and the smallest and largest group that produces consolidated financial statements.

Principal risks and uncertainties

Interest rate cash flow risk

The Company has interest bearing assets and liabilities. Interest bearing assets include amounts owed by/to group undertakings, which earn interest at either fixed or variable rates of interest.

Section 172 (1) Companies Act 2006

Section 172 of the Companies Act 2006 requires the Directors of a company to act in a way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision on the long term,
- b) The interests of the company's employees,
- c) The need to foster the company's business relationships with suppliers, customers and others
- d) The impact of the company's operations on the community and the environment,
- e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between shareholders of the company.

The Board confirms that, during the year, it has considered the matters set out above in its decision making process.

Performance of subsidiary companies

The Company is inherently reliant on the performance of its subsidiary holdings for income. The performance of these companies is dependent on several external factors such as the growth of the economy and also the reputation of those companies.

Key performance indicators

The Company acts as a holding company for other trading entities. For this reason, the Company's director believes that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the Company.

HERMÈS HOLDING GB LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

This report was approved by the board on 10/10/2022 and signed on its behalf.

Eric du HALGOUET

E du Halgouet
Director

HERMÈS HOLDING GB LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his report and the financial statements for the year ended 31 December 2021.

Director

The director who served during the year and to the date of this report was:

E du Halgouet

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs and 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

HERMÈS HOLDING GB LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Greenhouse gas emissions, energy consumption and energy efficient action

This provides a summary of emission and energy data for the Hermès Holding GB Limited group of companies to which Hermès (G.B.) Limited belongs. The Company's greenhouse gas emissions and energy consumption for the year were:

Description	Units	Reporting Year	Previous Year	Variation
Emissions from the combustion of Natural Gas Scope 1	tCO ₂ e	23.1	22.6	2.3%
Emissions from combustion of fuel for transport purposes and from other activities which the Company own or control including operation of facilities (Scope 1)	tCO ₂ e	0.9	1.0	-9.9%
Emissions from purchased Grid electricity (Scope 2)	tCO ₂ e	44.4	187.0	-76.3%
Emissions from business travel in company cars (Scope 1)	tCO ₂ e	None	None	
Emissions from business travel in employee owned cars (Scope 3)	tCO ₂ e	None	None	
Total gross emissions	tCO ₂ e	68.5	210.7	-67.5%
Energy consumption associated with the above emissions	kWh	1,001,151	928,223	7.9%
Total revenue	£M	£173.01 M		
Intensity ration tCO ₂ e/£M		0.40	1.9	-78.9%

Methodologies used: WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard; revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance, March 2019.

Since Feb 2021, all Hermes GB electricity is supplied by ENGIE renewable power. ENGIE provides us with a Renewable Energy Guarantees of Origin (REGOs).

Investment in LED lighting throughout the stores in 2021. In 2022 and 2023, there are plans to continue the upgrades and make adjustments the AC controls.

Going concern

The director has a reasonable expectation that the Company has adequate reserves to continue in operational existence for the foreseeable future. As at year-end, the company has sufficient net assets and an available overdraft facility allocated by the group of £3.5million which has not been drawn down. Further, as a holding company, the director has considered the level of net assets and the underlying performance of its investment companies. After taking all these into consideration, the director continues to adopt the going concern basis of accounting and is satisfied that the entity will continue to operate as a holding company for at least 12 months from the date of approval of these financial statements.

Post balance sheet events

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

HERMÈS HOLDING GB LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

The director confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director 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 auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10/10/2022 and signed on its behalf.

Eric du HALGOUET

E du Halgouet
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMÈS HOLDING GB LIMITED

Opinion

We have audited the financial statements of Hermès Holding GB Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from Brexit, Covid-19 and other macro-economic uncertainties such as inflationary increases, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMÈS HOLDING GB LIMITED
(CONTINUED)**

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.

The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMÈS HOLDING GB LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- ~~the director was not entitled to prepare the financial statements in accordance with the small companies regime.~~

Responsibilities of directors for the financial statements

~~As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.~~

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMÈS HOLDING GB LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (IFRS, Companies Act 2006 and the UK Corporate Governance Code) and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to management override of controls.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - testing the completeness of the company's related party transactions through information obtained at the parent and component entities;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMÈS HOLDING GB LIMITED
(CONTINUED)**

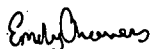
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulator entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions;
 - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMÈS HOLDING GB LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Emily Cheevers
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London Finsbury
Date: 10/10/2022

HERMÈS HOLDING GB LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Administrative expenses		(905)	-
Operating (loss)/profit		(905)	-
Other interest receivable and similar income	6	136	156
Interest payable and similar expenses	7	(126)	(5)
(Loss)/profit before tax		(895)	151
Tax on (loss)/profit	8	(2)	(31)
(Loss)/profit for the financial year		(897)	120
Total comprehensive (loss)/income for the year		(897)	120

The notes on pages 15 to 22 form part of these financial statements.

HERMÈS HOLDING GB LIMITED
REGISTERED NUMBER: 02945120

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	9	2,850	3,755
Current assets			
Debtors: amounts falling due after more than one year	10	15,791	-
Debtors: amounts falling due within one year	10	341	22,631
Cash at bank and in hand	11	36,223	11,770
		<u>52,355</u>	<u>34,401</u>
Creditors: amounts falling due within one year	12	(38,002)	(20,056)
Net current assets		<u>14,353</u>	<u>14,345</u>
Net assets		<u>17,203</u>	<u>18,100</u>
Capital and reserves			
Called up share capital	13	7,360	7,360
Profit and loss account	14	9,843	10,740
Total shareholders' funds		<u>17,203</u>	<u>18,100</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements of Hermes Holding GB Limited (company number 02945120) were approved and authorised for issue by the board and were signed on its behalf on 10/10/2022

Eric du HALGOUET

E du Halgouet
 Director

The notes on pages 15 to 22 form part of these financial statements.

HERMÈS HOLDING GB LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	7,360	10,740	18,100
Comprehensive income for the year			
Loss for the year	-	(897)	(897)
Total comprehensive income for the year	-	(897)	(897)
Total transactions with owners	-	-	-
At 31 December 2021	7,360	9,843	17,203

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	7,360	30,620	37,980
Comprehensive income for the year			
Profit for the year	-	120	120
Total comprehensive income for the year	-	120	120
Dividends: Equity capital	-	(20,000)	(20,000)
Total transactions with owners	-	(20,000)	(20,000)
At 31 December 2020	7,360	10,740	18,100

The notes on pages 15 to 22 form part of these financial statements.

HERMÈS HOLDING GB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Hermès Holding GB Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 8 Hinde Street, London, W1U 3BQ.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The functional and presentational currency of the company is GBP.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Going concern

The director has a reasonable expectation that the Company has adequate reserves to continue in operational existence for the foreseeable future. As at year-end, the company has sufficient net assets and an available overdraft facility allocated by the group of £3.5million which has not been drawn down. Further, as a holding company, the director has considered the level of net assets and the underlying performance of its investment companies. After taking all these into consideration, the director continues to adopt the going concern basis of accounting and is satisfied that the entity will continue to operate as a holding company for at least 12 months from the date of approval of these financial statements.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

HERMÈS HOLDING GB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.5 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount, which is the higher of their value in use or fair value less cost of disposal. Impairment losses are recognised in profit or loss.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

HERMÈS HOLDING GB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.9 Financial instruments (continued)****Financial assets**

The Company classifies all its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement.

Financial liabilities**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability. The Company classifies all its financial liabilities as liabilities at amortised cost.

2.10 Dividends

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

No dividends have been declared or paid in the year.

HERMÈS HOLDING GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of investments

The Company considers whether investments are impaired. Impairment indicators are where the carrying value of the investment is less than the net asset position of the underlying entity, where this happens the investment is written down appropriately.

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2021 £000	2020 £000
Impairment charge	905	-

5. Director's remuneration

During the year, no Director received any emoluments directly in respect of qualifying services (2020: £Nil).

The Director's emoluments for his service to the Company have been borne by Hermes International. No allocation was made to the Company for these emoluments.

The Director was the sole employee of the Company for the year (2020: 1).

Auditors' remuneration of £2,500 (2020: £2,500) has been borne by another Hermes International group company and recharged to this Company (2020: £Nil).

6. Other interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	136	143
Other interest receivable	-	13
	<u>136</u>	<u>156</u>

HERMÈS HOLDING GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Interest payable and similar expenses

	2021 £000	2020 £000
Interest on loans from group undertakings	126	5

8. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	2	29
Adjustments in respect of previous periods	-	2
Total current tax	2	31

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit on ordinary activities before tax	(895)	151
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(170)	29
Effects of:		
Adjustments in respect of previous periods	-	2
Expenses not deductible for tax purposes	172	-
Total tax charge for the year	2	31

Factors that may affect future tax charges

HERMÈS HOLDING GB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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8. Taxation (continued)

A reduction to the UK corporation tax rate to 17%, effective from 1 April 2020, was substantively enacted as part of the Finance (No.2) Act 2016 on 6 September 2016.

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. On 11 March 2020, Chancellor of the Exchequer announced that legislation would be passed to retain the current 19% rate in April 2020.

Finance Bill 2021 had its third reading on 24 May 2021 and 25% is now considered substantively enacted from 1 April 2023. Deferred taxed in respect of timing differences which are expected to reverse on or after 1 April 2023 have been remeasured at 25% accordingly.

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	8,350
At 31 December 2021	8,350
Impairment	
At 1 January 2021	4,595
Charge for the year	905
At 31 December 2021	5,500
Net book value	
At 31 December 2021	2,850
At 31 December 2020	3,755

HERMÈS HOLDING GB LIMITED

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9. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Hermes (G.B) Limited	England	Retail store operations	Ordinary	100%
J L and Company Limited	England	Manufacturer, wholesaler and retailer of leather footwear	Ordinary	100%

An amount of £905k is recognised as impairment in the profit and loss for the Company's investment in J L and Company Limited. J L and Company Limited have been loss making and are forecasted to continue this trend for the next few years.

The registered office of Hermes (G.B) Limited is 8 Hinde Street, London, W1U 2BQ. The registered office of J L and Company Limited is Westminster Works, 1 Oliver Street, Northampton, NN2 7JL.

10. Debtors

	2021 £000	2020 £000
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Due after more than one year

Amounts owed by group undertakings

15,791

	2021 £000	2020 £000
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Due within one year

Amounts owed by group undertakings

341

22,631

Amounts owed by group undertakings are unsecured, interest bearing using the Sterling Over Night Index Average (SONIA) interest rate administered by the Bank of England, have no fixed date of repayment and are repayable on demand.

11. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	36,223	11,770

HERMÈS HOLDING GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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12. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	37,954	20,005
Corporation tax	41	39
Other taxation and social security	7	-
Other creditors	-	12
	<u>38,002</u>	<u>20,056</u>

Amounts owed to group undertakings are unsecured, Interest bearing using the Sterling Over Night Index Average (SONIA) interest rate administered by the Bank of England, have no fixed date of repayment and are repayable on demand.

13. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
7,359,655 (2020 - 7,359,655) Ordinary shares of £1.00 each	<u>7,360</u>	<u>7,360</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

14. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

15. Controlling party

The ultimate parent and controlling company is Hermes International, a company incorporated in France and the smallest and largest group that produces consolidated financial statements. Copies of the financial statements of the ultimate parent company may be obtained from the registered office of the company at 24 Rue de Faubourg, St Honore, 75008 Paris, France.

16. Post balance sheet events

There have been no material events after 31 December 2021 which would have a material impact on these financial statements.