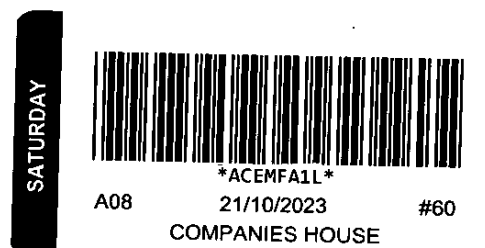


Registration number: 5985365

Harrods Property Limited

Director's Report and Unaudited Financial Statements
for the period ended 28 January 2023



Harrods Property Limited

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Harrods Property Limited
Directors' Report
for the period ended 28 January 2023

The directors present their Report and financial statements for Harrods Property Limited (the "Company") for the 52 week period ended 28 January 2023 (2022: 52 weeks ended 29 January 2022).

Principal activity

The principal activity of the Company is the holding of intercompany loan receivables. The Company is an indirect subsidiary of Harrods Group (Holding) Limited and its principal activity is the holding of loan receivables of other subsidiaries in the group.

Review of the business

Profit for the period after taxation amounted to £2.8m (2022: £16.1m). The directors paid a dividend of £290.3m in the period (2022: £nil).

Principal risks and uncertainties

Business risk

Following the sales of its freehold properties in 2016 and the termination of the associated leases, there is no business risk apart from the credit risk outlined below.

Credit risk

The Company has a significant loan to a group company. The loan to QH Partners Limited is ultimately considered recoverable against other assets and investments directly or indirectly supporting the nominal value of this loan.

Liquidity risk

The Company has no significant cash outgoings. Therefore, there is deemed to be no liquidity risk.

Directors of the Company

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

M A Ward

D J Webster

T N B Parker (appointed 15 July 2022)

KPIs

There are no KPIs required to be reported other than profit for the period that would give a fuller understanding to the business.

Future developments

There are no significant foreseeable future developments as at 28 January 2023.

Harrods Property Limited
Directors' Report
for the period ended 28 January 2023 (continued)

Going concern

The Directors are confident the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The Directors of the Company's parent company in the UK, Harrods Group (Holding) Limited, have indicated that, if required, future liabilities of the Company will be met as they fall due by Harrods Group (Holding) Limited. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company has adequate funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Post balance sheet events

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

Approved by the Board on 14 July 2023 and signed on its behalf by:



.....
T N B Parker
Director

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

Harrods Property Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK 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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Harrods Property Limited

Profit and Loss Account
for the period ended 28 January 2023

		52 weeks ended 28 January 2023 £ 000	52 weeks ended 29 January 2022 £ 000
	Note		
Administrative expenses		1	(20)
Operating profit/(loss)	3	1	(20)
Interest receivable and similar income	4	3,483	19,933
Profit before tax		3,484	19,913
Taxation	6	(662)	(3,784)
Profit for the financial period		<u>2,822</u>	<u>16,129</u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the period other than the results above.

Harrods Property Limited

Statement of Comprehensive Income for the period ended 28 January 2023

	52 weeks ended 28 January 2023 £ 000	52 weeks ended 29 January 2022 £ 000
Profit for the period	2,822	16,129
Other comprehensive income	-	-
Total comprehensive income for the period	2,822	16,129

The notes on pages 8 to 13 form an integral part of these financial statements.

Harrods Property Limited
(Registration number: 5985365)
Balance Sheet
as at 28 January 2023

	Note	28 January 2023 £ 000	29 January 2022 £ 000
Current assets			
Debtors: due within one year	7	269,158	559,527
Cash at bank and in hand		<u>1,081</u>	<u>1,081</u>
		270,239	560,608
Creditors: Amounts falling due within one year	8	<u>(4,446)</u>	<u>(7,322)</u>
Net assets		<u>265,793</u>	<u>553,286</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		<u>265,693</u>	<u>553,186</u>
Total equity		<u>265,793</u>	<u>553,286</u>

For the financial period ending 28 January 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- 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 14 July 2023 and signed on its behalf by:



T N B Parker
Director

Harrods Property Limited

Statement of Changes in Equity for the period ended 28 January 2023

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 31 January 2021	100	522,046	15,011	537,157
Profit for the period	-	-	16,129	16,129
Total comprehensive income	-	-	16,129	16,129
Other share premium reserve movements	-	(522,046)	522,046	-
At 29 January 2022	100	-	553,186	553,286

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 30 January 2022	100	553,186	553,286
Profit for the period	-	2,822	2,822
Total comprehensive income	-	2,822	2,822
Dividends	-	(290,315)	(290,315)
At 28 January 2023	100	265,693	265,793

The notes on pages 8 to 13 form an integral part of these financial statements.

Harrods Property Limited
Notes to the Financial Statements
for the period ended 28 January 2023

1 General information

Harrods Property Limited (the "Company") is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:
87-135 Brompton Road
Knightsbridge
London
SW1X 7XL
United Kingdom

2 Accounting policies

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.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. It is the view of the Directors that there were no critical accounting estimates used in the preparation of the Accounts and the Financial Statements of the Company.

The accounting policies set out below, have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Directors consider it appropriate for these Financial Statements to be prepared on a going concern basis.

Harrods Property Limited is a wholly owned subsidiary of Harrods Group (Holding) Limited which produces group accounts in accordance with the Companies Act 2006.

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); and
- the requirements of section 33 Related Party Disclosures.

This information is included in the Consolidated Financial Statements of Harrods Group (Holding) Limited, the ultimate UK parent undertaking, as at 28 January 2023 and these Financial Statements may be obtained from the Registrar of Companies.

The accounting policies set out below, unless otherwise stated have been applied consistently to all periods presented in the financial statements.

Harrods Property Limited

Notes to the Financial Statements for the period ended 28 January 2023 (continued)

2 Accounting policies (continued)

Going concern

The Directors are confident the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The Directors of the Company's parent company in the UK, Harrods Group (Holding) Limited, have indicated that, if required, future liabilities of the Company will be met as they fall due by Harrods Group (Holding) Limited. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company has adequate funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like loans to related parties and group undertakings which are accounted for at cost less impairment.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Harrods Property Limited
Notes to the Financial Statements
for the period ended 28 January 2023 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.

Debtors

Debtors are initially recognised at fair value and subsequently measured at amortised cost less any impairment.

Creditors

Creditors are initially recognised at fair value and subsequently measure at amortised cost.

3 Operating profit

Audit fees for the period were £nil (2022: £16,277).

4 Interest receivable and similar income

	52 weeks ended 28 January 2023 £ 000	52 weeks ended 29 January 2022 £ 000
Other finance income	<u>3,483</u>	<u>19,933</u>

5 Directors and employees

Key management personnel are the personnel who have authority and responsibility for planning, directing and controlling the activities of the Company, and are considered to be the Directors of the Company. Remuneration for the Directors of the Company is paid for by another group company. It is not material to determine the proportion of their emoluments which relate to their services as Directors of this Company.

The Company did not employ any persons or incur any staff costs during the period (2022: £nil).

Harrods Property Limited

Notes to the Financial Statements for the period ended 28 January 2023 (continued)

Notes to the Financial Statements (continued)

6 Taxation

Tax charged in the income statement

	52 weeks ended 28 January 2023 £ 000	52 weeks ended 29 January 2022 £ 000
Current taxation		
Group relief receivable for the period	<u>662</u>	<u>3,784</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	52 weeks ended 28 January 2023 £ 000	52 weeks ended 29 January 2022 £ 000
Profit before tax	<u>3,484</u>	<u>19,913</u>
Effects of:		
Corporation tax at standard rate	<u>662</u>	<u>3,784</u>
Total tax charge	<u>662</u>	<u>3,784</u>

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023.

7 Debtors

	28 January 2023 £ 000	29 January 2022 £ 000
Debtors: due within one year		
Amounts owed by group undertakings	269,123	559,507
Other debtors	<u>35</u>	<u>20</u>
	<u>269,158</u>	<u>559,527</u>

Harrods Property Limited
Notes to the Financial Statements
for the period ended 28 January 2023 (continued)

Notes to the Financial Statements (continued)

7 Debtors (continued)

Amounts owed by group undertakings include a non-interest bearing loan to QH Partners Limited, which is payable on demand of £265.5m, (2022: £265.5m). Also included is a non-interest bearing current account with Harrods Limited, which is payable on demand of £3.7m (2022: £17.0m) and a loan account with Harrods Limited of £nil (2022: £277.0m).

On 31 March 2022, an interim dividend in specie of £290.3m was declared resulting in the distribution of the loan and current account receivable from Harrods Limited.

During the period ended 28 January 2023, interest at 7.5% was accrued on the loan up to 31 March 2022 totalling £3.5m (2022: £19.9m).

8 Creditors

	28 January 2023 £ 000	29 January 2022 £ 000
Due within one year		
Accrued expenses	1	17
Income tax liability	4,445	7,305
	<u>4,446</u>	<u>7,322</u>

9 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
Allotted, called up and fully paid of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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

Dividends are paid at the discretion of the Directors.

Share Premium

In the prior period a capital reduction was made totalling £522.0m, which resulted in a decrease in the share premium of £522.0m of the Company and an equal increase in Profit & Loss reserves. The total equity of the Company therefore remained the same.

Harrods Property Limited
Notes to the Financial Statements
for the period ended 28 January 2023 (continued)

Notes to the Financial Statements (continued)

10 Commitments

Capital commitments

The Company had no capital commitments at 28 January 2023 or 29 January 2022.

11 Contingent liabilities

There were no contingent liabilities at 28 January 2023 or 29 January 2022.

12 Related party transactions

The Company is a wholly owned subsidiary and has taken advantage of the exemption in FRS 102, section 33 "Related Party Disclosures" from disclosing transactions with other members of the group.

There are no other related party transactions.

13 Parent and ultimate parent undertaking

The Company's immediate parent 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 and smallest UK group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) Limited, which can be obtained from the Registrar of Companies.

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, incorporated in Qatar.

14 Post balance sheet events

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