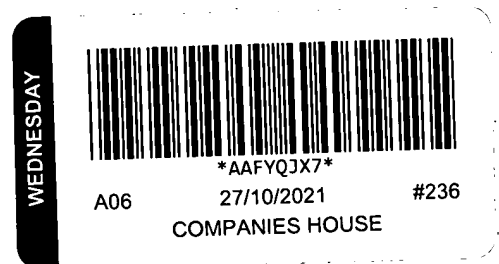


Registration number: 06511479

# QH Participations Limited

Annual Report and Financial Statements

for the period ended 30 January 2021



# **QH Participations Limited**

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**QH Participations Limited**  
**Strategic Report**  
**for the period ended 30 January 2021**

The directors present their Strategic Report and Financial Statements for the 52 week period ended 30 January 2021 (2020: 52 weeks).

**Principal activity**

The principal activity of the company is that of an investment holding company.

**Review of the business**

The loss for the period, after taxation, amounted to (£61.9m) (2020: profit of £62.6m). The loss for the period is due to no dividend income received in the period as a result of the impact of Covid-19 on the operations of its subsidiaries.

The company paid a dividend during the period of £nil (2020: £nil).

**Future developments**

There are no significant foreseeable future developments as at 30 January 2021.

**Principal risks and uncertainties**

The principal risks facing the company are a decrease in the value of investments in subsidiary undertakings to below cost value, which would occur if there was a decline in the underlying performance of subsidiaries, and the recoverability of intercompany receivables. We have reviewed the valuation of investments and no impairment is required.

The company also has a significant loan owing to a related party which it pays a fixed rate of interest. The interest obligation of the company is normally financed through the dividend income it receives. Despite the temporary cessation of dividend income, due to the impact of Covid-19, management are confident that dividend income will resume upon recovery.

**Covid-19**

The Covid-19 pandemic remains a significant challenge for the Harrods group. The impact of the crisis, and subsequent closure of the Harrods store, has reached the groups' employees, customers, supply chain and store, together with the local and wider community. Management do not expect there to be significant long-term consequences on the business as a result of the pandemic.

**Brexit**

The company has assessed the implications of Brexit on its activities and they are deemed to be limited.

**Political donations**

During the period the company did not make any political donations (2020: £nil).

**Post balance sheet events**

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

Approved by the Board on 22 October 2021 and signed on its behalf by:



.....  
D J Webster  
Company secretary and director

**QH Participations Limited**  
**Directors' Report**  
**for the period ended 30 January 2021**

The directors present their Report and the Financial Statements for the 52 week period ended 30 January 2021 (2020: 52 weeks).

**Directors of the company**

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

M A Ward

D J Webster

**Going concern**

The Covid-19 pandemic has been a significant challenge for the Harrods group. The impact of the crisis, and subsequent closure of the Harrods store, has reached the groups' employees, customers, supply chain and store, together with the local and wider community.

QH Participations Limited generates its income through dividends paid from other members of the Harrods group and therefore will be indirectly affected by the impact of the pandemic. Management are confident that the Company holds sufficient liquidity to meet its obligations as they fall due over the 12 months from the date of signing the accounts, through access to the group's revolving credit facility and other group resources.

The directors therefore 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.

The Company is reliant on the continued financial support of other group companies. The Directors of the Company's parent company in the UK, Harrods Group (Holdings) Limited, have confirmed that, if required, future liabilities of the Company will be met as they fall due by Harrods Group (Holdings) Limited through a letter of support.

The directors therefore 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.

**KPIs**

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

**Disclosure of information to the auditors**

Each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which the auditors are unaware.

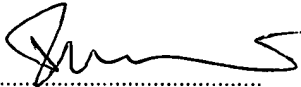
**QH Participations Limited**

**Directors' Report  
for the period ended 30 January 2021 (continued)**

**Reappointment of auditors**

During the period, the Company changed auditors from Ernst & Young LLP, to KPMG LLP, to align with the auditors of the parent company. The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 22 October 2021 and signed on its behalf by:



.....  
D J Webster  
Company secretary and director

## **QH Participations Limited**

### **Statement of Directors' Responsibilities in respect of the annual report and the financial statements**

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;
- 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 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QH PARTICIPATIONS LIMITED**

### **Opinion**

We have audited the financial statements of QH Participations Limited ("the Company") for the year ended 30 January 2021 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 January 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the



internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition as the Company does not have any revenue streams.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included:
  - Journal entries associated with key words including 'instruct', 'error', 'fine', 'fraud', 'bribe', 'illegal' and 'litigation'
  - Journal entries associated with related parties, specifically directors
  - Journal entries posted by specific users

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in





the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



**The purpose of our audit work and to whom we owe our responsibilities**

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.

A handwritten signature in black ink, appearing to read 'Chrissy Douka'.

**Chrissy Douka (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
Date: 25 October 2021

# QH Participations Limited

## Profit and Loss Account for the period ended 30 January 2021

		52 weeks ended 30 January 2021 £ 000	52 weeks ended 01 February 2020 £ 000
	Note		
Income from shares in group undertakings	4	-	125,000
Interest receivable and similar income	5	25	169
Interest payable and similar charges	6	<u>(41,108)</u>	<u>(67,316)</u>
<b>(Loss)/profit before tax</b>	3	<b>(41,083)</b>	<b>57,853</b>
Taxation	7	<u>(20,773)</u>	<u>4,758</u>
<b>(Loss)/profit for the financial period</b>		<b><u>(61,856)</u></b>	<b><u>62,611</u></b>

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

The above results were derived from continuing operations.

**QH Participations Limited**

**Statement of Comprehensive Income  
for the period ended 30 January 2021**

	<b>52 weeks ended 30 January 2021 £ 000</b>	<b>52 weeks ended 01 February 2020 £ 000</b>
(Loss)/profit for the period	<u>(61,856)</u>	<u>62,611</u>
<b>Total comprehensive (loss)/income for the period</b>	<u><b>(61,856)</b></u>	<u><b>62,611</b></u>

# QH Participations Limited

(Registration number: 06511479)

## Balance Sheet as at 30 January 2021

	Note	30 January 2021 £ 000	1 February 2020 £ 000
<b>Fixed assets</b>			
Investments	8	1,165,651	1,165,651
<b>Current assets</b>			
Debtors	9	102,591	102,300
Cash at bank and in hand		9,521	9,239
		<u>112,112</u>	<u>111,539</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(107,384)</u>	<u>(44,955)</u>
<b>Net current assets</b>		<u>4,728</u>	<u>66,584</u>
<b>Total assets less current liabilities</b>		1,170,379	1,232,235
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(850,000)</u>	<u>(850,000)</u>
<b>Net assets</b>		<u><u>320,379</u></u>	<u><u>382,235</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	3,283	3,283
Share premium reserve	11	260,068	260,068
Profit and loss account		<u>57,028</u>	<u>118,884</u>
<b>Total equity</b>		<u><u>320,379</u></u>	<u><u>382,235</u></u>

Approved and authorised by the Board on 22 October 2021 and signed on its behalf by:

.....  
M A Ward  
Director

The notes on pages 13 to 21 form an integral part of these financial statements.

# QH Participations Limited

## Statement of Changes in Equity for the period ended 30 January 2021

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 3 February 2019	3,283	260,068	56,273	319,624
Profit for the period	-	-	62,611	62,611
<b>Total comprehensive income</b>	-	-	62,611	62,611
<b>At 1 February 2020</b>	<b>3,283</b>	<b>260,068</b>	<b>118,884</b>	<b>382,235</b>

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 2 February 2020	3,283	260,068	118,884	382,235
Loss for the period	-	-	(61,856)	(61,856)
<b>Total comprehensive income</b>	-	-	(61,856)	(61,856)
<b>At 30 January 2021</b>	<b>3,283</b>	<b>260,068</b>	<b>57,028</b>	<b>320,379</b>

The notes on pages 13 to 21 form an integral part of these financial statements.

## **QH Participations Limited**

### **Notes to the Financial Statements for the period ended 30 January 2021**

#### **1 General information**

QH Participations 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**

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 can require the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The area involving a higher degree of judgment, or area where assumptions and estimates are significant to the financial statements is the investment impairment, see relevant accounting policy.

The directors consider it appropriate for these Financial Statements to be prepared on a going concern basis as the company's parent undertaking has indicated that it will not call for repayment of amounts due to the group undertakings without first ensuring that the company has adequate funds to meet its obligations as they fall due.

QH Participations Limited is a wholly owned subsidiary of Harrods Group (Holding) Limited which produces group accounts in accordance with the Companies Act 2006. Consequently, the company has taken advantage of the exemption permitted by section 400 of the Act from producing group accounts. These accounts therefore present information about the company and not about its group.

##### **Financial Reporting Standard 102 - summary of 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 as at 30 January 2021 and these Financial Statements may be obtained from the Registrar of Companies.

## **QH Participations Limited**

### **Notes to the Financial Statements for the period ended 30 January 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The Covid-19 pandemic has been a significant challenge for the Harrods Group (Holding) Limited group (the "Group"). The impact of the crisis, and subsequent temporary closure of the Harrods store, has reached the groups' employees, customers, supply chain and store, together with the local and wider community.

QH Participations Limited (the "Company") provides treasury operations to the group through related party borrowings that it holds and is dependent on the operating entities within the group generating sufficient cashflows such that the Company can make repayments of interest and principal on its borrowings as they fall due. As a result, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern. In addition, the Company generates its income through dividends paid from other members of the Harrods group and therefore will be indirectly affected by the impact of the pandemic. Management are confident that the Company holds sufficient liquidity to meet its obligations as they fall due over the 12 months from the date of signing the accounts, through access to the group's revolving credit facility and other group resources.

The Company is reliant on the continued financial support of other group companies. A fellow group company, Harrods Limited has indicated its intention to continue to make available such funds as are needed by the Company. 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 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.

##### **Investments**

Investments in subsidiary undertakings current value is stated net of impairment. Investments are impaired when, the carrying amount is greater than its estimated recoverable amount. Any impairment charge arising, is recognised in the Profit and Loss Account.

##### **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.

##### **Dividends**

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

##### **Tax**

Current tax, including UK corporation tax and foreign tax, is provided as amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



## QH Participations Limited

### Notes to the Financial Statements for the period ended 30 January 2021 (continued)

#### 2 Accounting policies (continued)

##### Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Where the amount of tax payable is uncertain, the Group establishes provisions based on Management's judgement and estimates of the probable amount of the future liability.

#### 3 Profit before tax

Audit fees for the period were £nil (2020: £nil) as they were borne by another group company.

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 trivial 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 (2020: £nil).

#### 4 Other income

	52 weeks ended 30 January 2021 £ 000	52 weeks ended 01 February 2020 £ 000
Dividends from shares in group undertakings	-	125,000

Due to the impact of Covid-19 on the operation of its subsidiaries, dividend income for the period is £nil (2020: £125.0m)

#### 5 Interest receivable and similar income

	52 weeks ended 30 January 2021 £ 000	52 weeks ended 01 February 2020 £ 000
Interest receivable from group companies	25	169

**QH Participations Limited**

**Notes to the Financial Statements**  
**for the period ended 30 January 2021 (continued)**

**Notes to the Financial Statements (continued)**

**6 Interest payable and similar expenses**

	52 weeks ended 30 January 2021 £ 000	52 weeks ended 01 February 2020 £ 000
Interest payable on a related party loan	38,845	67,316
Other interest payable	2,263	-
	<u>41,108</u>	<u>67,316</u>

Refer to notes 10 and 14 for terms of loan

**7. Taxation**

Tax charged/(credited) in the income statement:

	52 weeks ended 30 January 2021 £ 000	52 weeks ended 01 February 2020 £ 000
<b>Current taxation</b>		
UK Corporation tax	<u>20,773</u>	<u>(4,758)</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	52 weeks ended 30 January 2021 £ 000	52 weeks ended 01 February 2020 £ 000
(Loss)/profit before tax	<u>(41,083)</u>	<u>57,853</u>
Corporation tax at standard rate	(7,806)	10,992
Dividends from UK companies	-	(23,750)
Movement in provision for uncertain tax position	21,321	8,000
Corporate interest restriction	<u>7,258</u>	<u>-</u>
<b>Total tax charge/(credit) for the period</b>	<u>20,773</u>	<u>(4,758)</u>

**QH Participations Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 January 2021 (continued)**

**Notes to the Financial Statements (continued)**

**7 Taxation (continued)**

The standard rate of tax applied to profit on ordinary activities is 19% (2020: 19%).

A UK corporation tax rate of 19% (effective 1 April 2020), was substantively enacted on 17th March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. Post year end, in the 2021 Budget, it was announced that from 1 April 2023 the corporation tax rate will rise to 25%. This will have an impact on the Company's deferred tax balances in future periods.

**8 Fixed asset investments**

	<b>Investments in subsidiary companies £ 000</b>
<b>Shares in group undertakings and participating interests</b>	
<b>Cost</b>	
At 2 February 2020	<u>1,165,651</u>
At 30 January 2021	<u>1,165,651</u>
<b>Provision</b>	
At 2 February 2020	<u>-</u>
At 30 January 2021	<u>-</u>
<b>Net book value</b>	
At 30 January 2021	<u>1,165,651</u>
At 1 February 2020	<u>1,165,651</u>

The whole of the issued ordinary share capital of QH Partners Limited is owned directly by the company. The whole of the issued ordinary share capital in the other companies is held by intermediate holding companies, with the exception of Harrods Holdings Limited, 72.42 % of the share capital of which is held directly by the company. The principal activity of both QH Partners Limited and Harrods Holdings Limited are intermediary holding companies for the Harrods retail group.

**QH Participations Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 January 2021 (continued)**

**Notes to the Financial Statements (continued)**

**8 Fixed asset investments (continued)**

**Details of undertakings**

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<b>Principal subsidiaries</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
QH Partners Limited	England and Wales	Ordinary	100%	Holding company
Harrods Holdings Limited	England and Wales	Ordinary	72.42%	Holding company
Harrods Corporate Management Limited	England and Wales	Ordinary	100%	Intellectual Property Management
Harrods (UK) Limited	England and Wales	Ordinary	100%	Holding company
Harrods Limited	England and Wales	Ordinary	100%	Department store
Harrods International Limited	England and Wales	Ordinary	100%	Tax free retailer and wholesaler
Harrods (Continental) Limited	England and Wales	Ordinary	100%	Exporter
Harrods Department Store (Shanghai) Co., Limited	China	Ordinary	100%	Personal Shopping service
Harrods Estates Limited	England and Wales	Ordinary	100%	Estate agency
Harrods Beauty Limited (formerly Wylie and Company Limited)	England and Wales	Ordinary	100%	Retailer
Harrods Commercial Property Limited	England and Wales	Ordinary	100%	Property Management
Harrods Property Limited	England and Wales	Ordinary	100%	Property Management
Genavco Insurance Limited	England and Wales	Ordinary	100%	Insurance broker
5A Holdings Limited	England and Wales	Ordinary	100%	Holding company
Harrods Nominees Limited	England and Wales	Ordinary	100%	Dormant company
Harrods Management Limited	England and Wales	Ordinary	100%	Dormant company
Harrods Group Trustees Limited	England and Wales	Ordinary	100%	Dormant company

The registered address of each entity listed above is 87-135 Brompton Road, Knightsbridge, London, SW1X 7XL, England and Wales, except Harrods Department Store (Shanghai) Co., Limited, whose registered address is 4801 Binjiang Avenue, China (Shanghai) Free Trade Zone.

# QH Participations Limited

## Notes to the Financial Statements for the period ended 30 January 2021 (continued)

### Notes to the Financial Statements (continued)

#### 9 Debtors

	30 January 2021 £ 000	1 February 2020 £ 000
Amounts owed by group undertakings	102,043	89,542
Group relief receivable	548	12,758
	<u>102,591</u>	<u>102,300</u>

Amounts owed by group undertakings include a non-interest bearing current account with Harrods Limited of £102.0m (2020: £89.5m).

Group receivables are repayable on demand.

#### 10 Creditors

	30 January 2021 £ 000	1 February 2020 £ 000
<b>Due within one year</b>		
Accrued expenses	2,283	-
Corporation tax payable	29,321	8,000
Interest payable on amounts owed to related parties	75,780	36,955
	<u>107,384</u>	<u>44,955</u>
<b>Due after one year</b>		
Amounts owed to related party	<u>850,000</u>	<u>850,000</u>

# QH Participations Limited

## Notes to the Financial Statements for the period ended 30 January 2021 (continued)

### Notes to the Financial Statements (continued)

#### 10 Creditors (continued)

##### Due within one year

Where the amount of tax payable is uncertain, the Company establishes provisions based on management's judgement and estimates of the probable amount of the future liability. At 30 January 2021, the Company has recorded provisions of £29.3m (2020: £8.0m) in respect of uncertain tax positions. The increase follows a re-evaluation of the likely probable outflow following ongoing discussions with the tax authorities.

##### Due after one year

During the period, QH Participations Limited had a loan facility agreement of £850.0m, which was fully drawn down.

The facility is in two tranches, the Senior debt of £425.0m which is interest bearing at 3.7% and the Junior debt of £425.0m which is interest bearing at 5.4%. The facility is repayable on 31 January 2025.

At the period end, 30 January 2021, £75.8m of interest was accrued (2020: £37.0m accrued).

The outstanding balance at the end of the year was £850.0m (2020: £850.0m).

#### 11 Share capital

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

	30 January 2021		1 February 2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.01 each	<u>328,310</u>	<u>3,283</u>	<u>328,310</u>	<u>3,283</u>
			<b>30 January 2021</b>	<b>01 February 2020</b>
			<b>£ 000</b>	<b>£ 000</b>
Share premium			<u>260,068</u>	<u>260,068</u>
			<u>260,068</u>	<u>260,068</u>

##### Authorised

328,400,000 Ordinary shares of £0.01 each.

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

Dividends are declared and paid at the discretion of the directors.

**QH Participations Limited**  
**Notes to the Financial Statements**  
**for the period ended 30 January 2021 (continued)**

**Notes to the Financial Statements (continued)**

**12 Commitments**

**Capital commitments**

The company had no capital commitments at 30 January 2021 or 1 February 2020.

**13 Contingent liabilities**

There were no contingent liabilities at 30 January 2021 or 1 February 2020.

**14 Related party transactions**

The company has taken advantage of the exemption in FRS 102, section 33 "Related Party Disclosures" from disclosing transactions with other members of the group.

During the period, QH Participations Limited held a loan facility agreement of £850.0m with Qatar Holdings LLC, the ultimate controlling party which was fully drawn down. (2020: £850.0m).

The facility is in two tranches, the Senior debt of £425.0m which is interest bearing at 3.7% and the Junior debt of £425.0m which is interest bearing at 5.4%. The facility is repayable on 31 January 2025.

During the year ended 30 January 2021, no interest was paid (2020: £67.7m) and £38.8m was accrued (2020: £37.0m accrued). At the period end, a total of £75.8m was accrued (2020: £37.0m).

There are no other related party transactions.

**15 Parent and ultimate parent undertaking**

The company's immediate parent undertaking is Harrods Group (Holding) Limited, a company incorporated in the United Kingdom. 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.