

Registration number: 6511479

QH Participations Limited

Annual Report and Financial Statements

for the period ended 1 February 2020



QH Participations Limited

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QH Participations Limited
Strategic Report
for the period ended 1 February 2020

The directors present their Strategic Report and Financial Statements for the 52 week period ended 1 February 2020 (2019: 52 weeks).

Principal activity

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

Review of the business

The profit for the period, after taxation, amounted to £62.6m (2019: £69.9m).

The company paid a dividend during the period of £nil (2019: £57.3m).

On 26 February 2019, Harrods Group (Holding) Limited re-acquired the 2% minority shareholding in QH Participations Limited from Beauchamp Company No.2 Limited, for a nominal value.

Future developments

There are no significant foreseeable future developments as at 1 February 2020.

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.

The company also has a significant loan to a related party which it pays a fixed rate of interest. The interest obligation of the company is financed through the dividend income it receives.

Covid-19

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.

Management do not expect there to be significant long term consequences on the business as a result of the pandemic.

Approved by the Board on 24 September 2020 and signed on its behalf by:



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

QH Participations Limited
Directors' Report
for the period ended 1 February 2020

The directors present their Report and the Financial Statements for the 52 week period ended 1 February 2020 (2019: 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.

Post balance sheet events

The business has considered the need for any adjustments to be made following the outbreak of Covid-19 for the 52-week period ended 01/02/2020. At the balance sheet date, the World Health Organisation had not yet declared the outbreak a pandemic. There was not yet a significant outbreak in the UK and government restrictions were not in place. As such the information available at the time could not have predicted the extent of the crisis nor the impact on the business. Therefore, these events have been deemed non-adjusting post balance sheet events in the financial statements.

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 1 February 2020 (continued)

Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 24 September 2020 and signed on its behalf by:



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

QH Participations Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these Financial Statements, the directors are required to:

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

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

QH Participations Limited

Independent Auditor's Report to the Members of QH Participations Limited

Opinion

We have audited the financial statements of QH Participations Limited for the year ended 1 February 2020 which comprise the Profit and Loss Account, the Balance Sheet, Statement of cash flows, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 17, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 1 February 2020 and of its profit 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 below. 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.

Emphasis of matter – Effects of COVID -19

We draw attention to Note 2 of the financial statements, which describe the financial and operational consequences the company is facing as a result of COVID-19 which is impacting consumer demand and supply chains. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

QH Participations Limited

Independent Auditor's Report to the Members of QH Participations Limited (continued)

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

QH Participations Limited

Independent Auditor's Report to the Members of QH Participations Limited (continued)

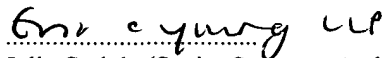
Auditor's responsibilities for the audit of the financial statements

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Julie Carlyle (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place
London
SE1 2AF

Date: 28 September 2020

QH Participations Limited

Profit and Loss Account for the period ended 1 February 2020

		52 weeks ended 01 February 2020 £ 000	52 weeks ended 02 February 2019 £ 000
	Note		
Income from shares in group undertakings	4	125,000	125,000
Interest receivable and similar income	5	169	122
Interest payable and similar charges	6	<u>(67,316)</u>	<u>(68,106)</u>
Profit before tax		57,853	57,016
Taxation	7	<u>4,758</u>	<u>12,916</u>
Profit for the financial period		<u>62,611</u>	<u>69,932</u>

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

QH Participations Limited

Statement of Comprehensive Income for the period ended 1 February 2020

	52 weeks ended 01 February 2020 £ 000	52 weeks ended 02 February 2019 £ 000
Profit for the period	62,611	69,932
Other comprehensive income	-	-
Total comprehensive income for the period	62,611	69,932

QH Participations Limited

(Registration number: 6511479)

Balance Sheet as at 1 February 2020

	Note	1 February 2020 £ 000	2 February 2019 £ 000
Fixed assets			
Investments	8	1,165,651	1,165,651
Current assets			
Debtors	9	102,300	82,942
Cash at bank and in hand		9,239	11,204
		111,539	94,146
Creditors: Amounts falling due within one year	10	(44,955)	(940,173)
Net current assets/(liabilities)		66,584	(846,027)
Total assets less current liabilities		1,232,235	319,624
Creditors: Amounts falling due after more than one year	10	(850,000)	-
Net assets		382,235	319,624
Capital and reserves			
Called up share capital	11	3,283	3,283
Share premium reserve	11	260,068	260,068
Profit and loss account		118,884	56,273
Total equity		382,235	319,624

Approved and authorised by the Board on 24 September 2020 and signed on its behalf by:

M A Ward
Director

The notes on pages 12 to 21 form an integral part of these financial statements.

QH Participations Limited

Statement of Changes in Equity for the period ended 1 February 2020

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 4 February 2018	3,283	260,068	43,674	307,025
Profit for the period	-	-	69,932	69,932
Total comprehensive income	-	-	69,932	69,932
Dividends	-	-	(57,333)	(57,333)
At 2 February 2019	3,283	260,068	56,273	319,624

	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
Total comprehensive income	-	-	62,611	62,611
At 1 February 2020	3,283	260,068	118,884	382,235

The notes on pages 12 to 21 form an integral part of these financial statements.

QH Participations Limited

Notes to the Financial Statements for the period ended 1 February 2020

1 General information

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.

Application of FRS 102 is required for all accounting periods beginning on or after 1 January 2015 (the effective date).

The preparation of Financial Statements in compliance with FRS 102 can require the use of certain critical accounting estimates. It also requires group 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 directors consider it appropriate for these Financial Statements to be prepared on 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 1 February 2020 and these Financial Statements may be obtained from the Registrar of Companies.

QH Participations Limited

Notes to the Financial Statements for the period ended 1 February 2020 (continued)

2 Accounting policies (continued)

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 Ltd 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. 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.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Dividends

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

3 Profit before tax

Audit fees for the period were £nil (2019: £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 not practical 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 (2019: £nil).

4 Other income

	52 weeks ended 01 February 2020 £ 000	52 weeks ended 02 February 2019 £ 000
Dividends from shares in group undertakings	<u>125,000</u>	<u>125,000</u>

QH Participations Limited

Notes to the Financial Statements for the period ended 1 February 2020 (continued)

Notes to the Financial Statements (continued)

5 Interest receivable and similar income

	52 weeks ended 01 February 2020 £ 000	52 weeks ended 02 February 2019 £ 000
Interest receivable from group companies	<u>169</u>	<u>122</u>

6 Interest payable and similar expenses

	52 weeks ended 01 February 2020 £ 000	52 weeks ended 02 February 2019 £ 000
Interest payable on a related party loan	67,316	67,667
Other interest payable	-	439
	<u>67,316</u>	<u>68,106</u>

QH Participations Limited

Notes to the Financial Statements for the period ended 1 February 2020 (continued)

Notes to the Financial Statements (continued)

7 Taxation

Tax credited in the income statement:

	52 weeks ended 01 February 2020 £ 000	52 weeks ended 02 February 2019 £ 000
Current taxation		
Group relief receivable for the period	(12,758)	(12,917)
Corporation tax payable adjustment in respect of prior periods	8,000	1
	<u>(4,758)</u>	<u>(12,916)</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	52 weeks ended 01 February 2020 £ 000	52 weeks ended 02 February 2019 £ 000
Profit before tax	<u>57,853</u>	<u>57,016</u>
Corporation tax at standard rate	10,992	10,833
Adjustment in respect of prior period	8,000	1
Dividends from UK companies	<u>(23,750)</u>	<u>(23,750)</u>
Total tax credit	<u>(4,758)</u>	<u>(12,916)</u>

The standard rate of tax applied to profit on ordinary activities is 19% (2019: 19%). The Finance (No 2) Act 2015 introduced a reduction in the corporation tax rate to 19% from 1 April 2017. The Finance Act 2016 further reduced the corporation tax rate to 17% from 1 April 2020, however in the 2020 budget, it was announced that corporation tax will remain at 19%.

QH Participations Limited

Notes to the Financial Statements for the period ended 1 February 2020 (continued)

Notes to the Financial Statements (continued)

8 Fixed asset investments

	Investments in subsidiary companies £ 000
Shares in group undertakings and participating interests	
Cost	
At 3 February 2019	1,165,651
Provision	
At 3 February 2019	-
At 1 February 2020	-
Net book value	
At 1 February 2020	1,165,651
At 2 February 2019	1,165,651

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 1 February 2020 (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:

Principal subsidiaries	Registered office	Class of shares	Holding	Principal activity
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 Beauty Limited (formerly Wylie and Company Limited)	England and Wales	Ordinary	100%	Retailer
Harrods Department Store (Shanghai) Co., Limited	China	Ordinary	100%	Personal Shopping service
Harrods (Continental) Limited	England and Wales	Ordinary	100%	Exporter
Harrods Estates Limited	England and Wales	Ordinary	100%	Estate agency
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 1 February 2020 (continued)

Notes to the Financial Statements (continued)

9 Debtors

	1 February 2020 £ 000	2 February 2019 £ 000
Amounts owed by group undertakings	89,542	70,025
Group relief receivable	12,758	12,917
	<u>102,300</u>	<u>82,942</u>

Amounts owed by group undertakings include a non-interest bearing current account with Harrods Limited of £89.5m (2019: £70.0m).

Group receivables are repayable on demand.

10 Creditors

	1 February 2020 £ 000	2 February 2019 £ 000
Due within one year		
Corporation tax payable	8,000	-
Amounts owed to group undertakings	-	647
Amounts owed to related party	-	902,220
Interest payable on amounts owed to related parties	36,955	37,306
	<u>44,955</u>	<u>940,173</u>
Due after one year		
Amounts owed to related party	<u>850,000</u>	<u>-</u>

QH Participations Limited

Notes to the Financial Statements for the period ended 1 February 2020 (continued)

Notes to the Financial Statements (continued)

10 Creditors (continued)

During the period, QH Participations Limited had a loan facility agreement of £902.2m with Qatar Holdings LLC, the ultimate controlling party which was fully drawn down. The facility was repayable on 31 January 2020, and was fully interest bearing at a rate of 7.5%.

On 11 December 2019, £25.0m was repaid on the loan, and an additional £27.2m was repaid on 27 January 2020, a total of £52.2m. The remaining balance of £850.0m was refinanced on 30 January 2020 under a new loan facility agreement for £850m, which was fully drawn down.

The new facility is in two tranches, the Senior debt of £425m which is interest bearing at 3.7% and the Junior debt of £425m which is interest bearing at 5.4%. The facility is repayable on 31 January 2025.

During the year ended 1 February 2020, a total of £67.7m of interest was paid (2019: £67.7m) and £37.0m was accrued (2019: £37.3m accrued).

The outstanding balance at the end of the year was £850.0m (2019: £902.2m).

11 Share capital

Allotted, called up and fully paid shares

	1 February 2020		2 February 2019	
	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>
			01 February 2020	02 February 2019
			£ 000	£ 000
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 1 February 2020 (continued)

Notes to the Financial Statements (continued)

12 Dividends

	01 February 2020	02 February 2019
	£	£
Interim dividend paid	-	57,333

13 Commitments

Capital commitments

The company had no capital commitments at 1 February 2020 or 2 February 2019.

14 Contingent liabilities

There were no contingent liabilities at 1 February 2020 or 2 February 2019.

15 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 had a loan facility agreement of £902.2m with Qatar Holdings LLC, the ultimate controlling party which was fully drawn down. The facility was repayable on 31 January 2020, and was fully interest bearing at a rate of 7.5%.

On 11 December 2019, £25.0m was repaid on the loan, and an additional £27.2m was repaid on 27 January 2020, a total of £52.2m. The remaining balance of £850.0m was refinanced on 30 January 2020 under a new loan facility agreement for £850m, which was fully drawn down. The new facility is in two tranches, the Senior debt of £425m which is interest bearing at 3.7% and the Junior debt of £425m which is interest bearing at 5.4%. The facility is repayable on 31 January 2025.

During the year ended 1 February 2020, a total of £67.7m of interest was paid (2019: £67.7m) and £37.0m was accrued (2019: £37.3m accrued). The outstanding balance at the end of the year was £850.0m (2019: £902.2m).

There are no other related party transactions.

QH Participations Limited

Notes to the Financial Statements for the period ended 1 February 2020 (continued)

Notes to the Financial Statements (continued)

16 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.

17 Non adjusting events after the financial period

The business has considered the need for any adjustments to be made following the outbreak of Covid-19 for the 52-week period ended 01/02/2020. At the balance sheet date, the World Health Organisation had not yet declared the outbreak a pandemic. There was not yet a significant outbreak in the UK and government restrictions were not in place. As such the information available at the time could not have predicted the extent of the crisis nor the impact on the business. Therefore, these events have been deemed non-adjusting post balance sheet events in the financial statements.