

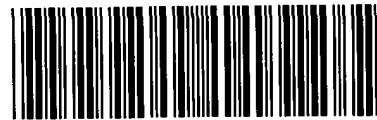
Registration number: 8022049

Harrods Corporate Management Limited

Annual Report and Financial Statements

for the period ended 30 January 2021

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Harrods Corporate Management Limited

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Harrods Corporate Management 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 the ownership and licensing of the Harrods trademark to several trading entities in the United Kingdom.

Review of the business

Loss for the period after taxation amounted to (£2.7m) (2020: profit of £16.6m). The loss for the period is due to lower royalty income in the period as a result of the impact of Covid-19 on the operations of other group companies. The directors paid a dividend in the period of £nil (2020: £15.0m).

Brexit

The company has assessed the impact of Brexit on its business activities and it is anticipated that there may be an impact on its future royalty income stream depending on how the removal of the VAT Retail Export Scheme (tax-free shopping) affects the turnover of the retail companies on which royalty is received.

Future developments

Apart from the potential impact of Brexit highlighted above there are no other significant foreseeable future developments as at 30 January 2021.

Principal risks and uncertainties

Interest rate risk

The company is exposed to increasing interest rates on its group loan secured at a floating rate. However, given the significant cover that the company enjoys on its income stream relative to its interest obligations, the directors have assessed that this does not present any significant risk.

Liquidity risk

The company receives its income from royalties derived from the sales of Harrods Limited, Harrods International Limited and smaller group undertakings utilising the Harrods trademark name for commercial advantage. There is a risk that royalties received will significantly drop if trade conditions deteriorate in these companies in future at a sufficient scale to prevent the company from meeting its interest obligations. Management is, however, confident that the current forecasts of trade by its licensees as well as the benign interest rate environment provides the company sufficient buffer for the foreseeable future.

Covid-19

The Covid-19 pandemic has been a significant challenge for the business. The impact of the crisis, and subsequent closure of Harrods, has reached our 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.

Harrods Corporate Management Limited

Strategic Report for the period ended 30 January 2021 (continued)

Section 172(1) statement

The directors of the company act in a way they consider, in good faith, is most likely to promote the success of the company for the benefit of its' members as a whole, and in doing so have regard to the:

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

As Harrods Corporate Management does not have any employees to consider, the following section outlines how the Directors take the remaining factors into account in their decision making in relation to the following stakeholder groups.

Our business relationships

Harrods Corporate Management's suppliers and customers are predominantly other related parties, with whom it maintains close working relationships, to align our respective requirements for our mutual economic benefit.

Our community

The Harrods group, including Harrods Corporate Management, continues to support both local and national charities and encourages employees to volunteer for charity partners.

Our environmental impact and sustainability

This financial year, Harrods group has revisited and relaunched its sustainability strategy. The strategy has been given a vision and identity and is now a strong voice within the decision-making practices of the group.

Harrods "Path to Sustainability" is closely aligned with Harrods strategy and purpose, with the business committing to being as responsible and sustainable operator as it can, in as short a timeframe as possible. The four strategic pillars cover operations, products, partnership, and people.

Our long-term decision making

The primary function of the Group Board is to develop the Group's strategy and oversee its implementation in order to promote the long-term success of the business for the benefit of its stakeholders and deliver sustainable shareholder value. The business aim to ensure that decisions support the Group's purpose and values, together with its strategic priorities.

Our standards

Harrods has carried out a review of its company values during this financial year and has developed five core values which underpin its behaviours and ways of working: We are Human, We Strive to Exceed, We Build Trust, We Take Pride and We are One. Harrods has robust company policies and practices which align with these values and are regularly monitored and reviewed. These company policies include clear procedures setting out how employees can raise any concerns.

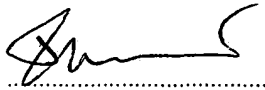
Harrods Corporate Management Limited

Strategic Report for the period ended 30 January 2021 (continued)

Our members

The company is an indirect 100% subsidiary of Qatar Holding LLC. The interests and views of the ultimate partner company is included in our long-term decision making and strategic priorities. The Group Board is currently comprised of two representatives of the Shareholder and the Managing Director of Harrods (all of whom also sit on the Harrods board) and a non-executive director, which allows their interests to be represented.

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



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

Harrods Corporate Management Limited

Directors' Report for the period ended 30 January 2021

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

Results and dividends

The loss for the period, after taxation, amounted to (£2.7m) (2020: £16.6m). The directors paid a dividend in the period of £.0m (2020: £15.0m).

Directors of the company

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

M A Ward

D J Webster

KPIs

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

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.

Harrods Corporate Management Limited generates its income through royalties paid by 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.

Harrods Corporate Management Limited

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

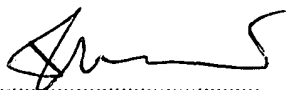
Disclosure of information to the auditors

Each director has taken all the 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 they know the auditors are unaware.

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

Harrods Corporate Management 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;
- 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 HARRODS CORPORATE MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Harrods Corporate Management 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 for any revenue streams because there are limited judgements and revenue is predominantly recognised as a percentage of trading sales generated by a fellow group company, reducing the opportunity and incentive to commit fraud.

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:
 - Manual journal entries posted relating to revenue
 - Journal entries associated with key words including 'instruct', 'error', 'fine', 'fraud', 'bribe', 'illegal' and 'litigation'
 - Unexpected journal entries posted to revenue
 - Journal entries associated with related parties, specifically directors
 - Journal entries with a debit to assets and a credit to expenses
 - 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 6, 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.

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

Harrods Corporate Management Limited

Profit and Loss Account for the period ended 30 January 2021

		52 weeks ended 30 January 2021 £ m	52 weeks ended 01 February 2020 £ m
Turnover	3	<u>23.8</u>	<u>50.4</u>
Gross profit		23.8	50.4
Administrative expenses		<u>(11.0)</u>	<u>(10.9)</u>
Operating profit	4	12.8	39.5
Other interest receivable and similar income		-	0.1
Interest payable and similar charges	5	<u>(13.6)</u>	<u>(16.5)</u>
(Loss)/profit before tax		(0.8)	23.1
Taxation	6	<u>(1.9)</u>	<u>(6.4)</u>
(Loss)/profit for the financial period		<u><u>(2.7)</u></u>	<u><u>16.7</u></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 Corporate Management Limited

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

	52 weeks ended 30 January 2021 £ m	52 weeks ended 01 February 2020 £ m
(Loss)/profit for the period	<u>(2.7)</u>	<u>16.7</u>
Total comprehensive (loss)/income for the period	<u>(2.7)</u>	<u>16.7</u>

The notes on pages 15 to 21 form an integral part of these financial statements.

Harrods Corporate Management Limited

(Registration number: 8022049)

Balance Sheet as at 30 January 2021

	Note	30 January 2021 £ m	1 February 2020 £ m
Fixed assets			
Intangible assets	7	446.1	456.9
Current assets			
Debtors	8	1.7	5.2
Cash at bank and in hand		0.6	2.7
		<u>2.3</u>	<u>7.9</u>
Creditors: Amounts falling due within one year	9	<u>(425.3)</u>	<u>(439.0)</u>
Net current liabilities		<u>(423.0)</u>	<u>(431.1)</u>
Net assets		<u>23.1</u>	<u>25.8</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		<u>23.1</u>	<u>25.8</u>
Total equity		<u>23.1</u>	<u>25.8</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 15 to 21 form an integral part of these financial statements.

Harrods Corporate Management Limited

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

	Profit and loss account £ m	Total £ m
At 3 February 2019	24.1	24.1
Profit for the period	16.7	16.7
Other comprehensive income	-	-
Total comprehensive income	16.7	16.7
Dividends	(15.0)	(15.0)
At 1 February 2020	25.8	25.8
At 2 February 2020	25.8	25.8
Loss for the period	(2.7)	(2.7)
Other comprehensive income	-	-
Total comprehensive loss	(2.7)	(2.7)
At 30 January 2021	23.1	23.1

The notes on pages 15 to 21 form an integral part of these financial statements.

Harrods Corporate Management Limited

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

1 General information

Harrods Corporate Management 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 (including impairment of trademarks). It also requires group management to exercise judgement in applying the company's accounting policies.

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 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.

Harrods Corporate Management 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 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 30 January 2021 and these Financial Statements may be obtained from the Registrar of Companies.

Harrods Corporate Management Limited

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

2 Accounting policies (continued)

Turnover

Turnover includes royalties received from trading entities using the Harrods brand name for commercial advantage.

Revenue is measured at the fair value of the consideration received or receivable.

Interest payable

Interest payable and similar charges, include interest payable on loans from group undertakings and are recognised as accrued in the profit or loss using the effective interest method. The interest is set to be at 3% per annum above the base rate.

Intangible assets

Trademarks are included at cost and are subject to an annual impairment review. Fair value is determined by reference to the future cash flows of the company discounted back at the weighted average cost of capital. If the fair value is determined to be less than the trademark's current valuation minus the cumulative amortisation charges, the asset is said to be impaired. The difference between the fair value and the current value is recognised as an impairment charge in the profit and loss statement. Trademarks are amortised over 50 years. The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

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.

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.

Harrods Corporate Management Limited (the "Company") generates its income through royalties paid by 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.

Harrods Corporate Management Limited

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

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Turnover

The turnover and profit on ordinary activities before taxation is attributable to continuing operations as follows:

	52 weeks ended 30 January 2021 £ m	52 weeks ended 01 February 2020 £ m
Royalties arising on licensing agreements	23.8	50.4

All turnover arose within the United Kingdom.

4 Operating profit

The operating profit is stated after charging:

	52 weeks ended 30 January 2021 £ m	52 weeks ended 01 February 2020 £ m
Amortisation of intangible assets	10.8	10.8

Audit fees for the period were £15,700 (2020: £10,621).

The company did not employ any persons or incur any staff costs during the period (2020: £nil).

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.

Harrods Corporate Management Limited

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

5 Interest payable and similar charges

	52 weeks ended 30 January 2021 £ m	52 weeks ended 01 February 2020 £ m
Interest payable on loans from group undertakings	<u>13.6</u>	<u>16.5</u>

6 Taxation

Tax charged/(credited) in the income statement

	52 weeks ended 30 January 2021 £ m	52 weeks ended 01 February 2020 £ m
Current taxation		
Group relief payable	<u>1.9</u>	<u>6.4</u>
Total tax on profit on ordinary activities	<u>1.9</u>	<u>6.4</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2020 - higher 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 £ m	52 weeks ended 01 February 2020 £ m
(Loss)/profit before tax	<u>(0.8)</u>	<u>23.1</u>
Corporation tax at standard rate	(0.2)	4.4
Expenses not deductible for tax purposes	<u>2.1</u>	<u>2.0</u>
Total tax charge for the period	<u>1.9</u>	<u>6.4</u>

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.

Harrods Corporate Management Limited

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

7 Intangible assets

	Trademarks £ m
Cost or valuation	
At 2 February 2020	541.0
At 30 January 2021	541.0
Amortisation	
At 2 February 2020	84.1
Amortisation charge	10.8
At 30 January 2021	94.9
Carrying amount	
At 30 January 2021	446.1
At 1 February 2020	456.9

8 Debtors

	30 January 2021 £ m	1 February 2020 £ m
Other debtors	0.1	0.1
Accrued income	1.6	5.1
	1.7	5.2

9 Creditors

	30 January 2021 £ m	1 February 2020 £ m
Due within one year		
Loans from group undertakings	422.0	431.0
Social security and other taxes	0.1	-
Accruals and deferred income	1.3	1.6
Group relief payable	1.9	6.4
	425.3	439.0

Loans from group undertakings refers to a loan from Harrods Limited of £422.0m (2020: £431.0m) bearing interest at a rate of 3% per annum above the base rate. The debt is unsecured and repayable on 30 days prior written notice. Loan repayments of £9.0m (2020: £10.0m) were made during the period.

Harrods Corporate Management Limited

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

10 Share capital

Allotted, called up and fully paid shares

	30 January 2021		01 February 2020	
	No.	£	No.	£
Allotted, called up and fully paid of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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

Dividends are paid at the discretion of the directors.

11 Capital commitments

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

12 Contingent liabilities

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

13 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.

14 Parent and ultimate parent undertaking

The company's immediate parent is Harrods Holdings Limited, a company incorporated in the United Kingdom. The ultimate UK parent undertaking of Harrods Holdings Limited is Harrods Group (Holding) Limited. The largest and smallest 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.

Harrods Corporate Management Limited

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

15 Accounting estimates and judgements

Key sources of estimation uncertainty

Impairment assessment of trademarks: Intellectual property of Harrods Corporate Management Limited is accounted for at cost less accumulated amortisation. An impairment review is carried out at the end of each year requiring management assessment of future cash flows of royalty income discounted to net present value at an appropriate rate. Stress tests are applied to consider the impact of possible negative future events on income forecasts. As at 30 January 2021, the intangible assets of the company comprising its trademarks were £446.1m (2020: £456.9m).