

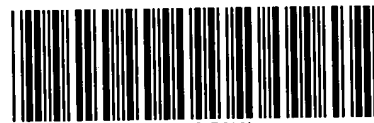
Registered number: 8022049

HARRODS CORPORATE MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JANUARY 2016

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HARRODS CORPORATE MANAGEMENT LIMITED

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HARRODS CORPORATE MANAGEMENT LIMITED

**STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JANUARY 2016**

The directors present their strategic report for the period ended 30 January 2016.

PRINCIPAL ACTIVITY

The principal activity of the company is the ownership and licensing of the Harrods trademarks to several trading entities in the United Kingdom and overseas.

BUSINESS REVIEW

Profit for the period after taxation amounted to £4.9m (2015: £3.2m). The directors did not pay a dividend in the period (2015: £nil).

The main driver for the increase in profit results from higher royalties income received from related parties of £37.1m (2015: £35.7m) due to stronger trading conditions.

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 sales of Harrods Limited, Harrods International Limited as well as 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.

This report was approved by the board on 7 June 2016 and signed on its behalf.



D J Webster
Company Secretary

HARRODS CORPORATE MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JANUARY 2016

The directors present their report and the financial statements for the 52 week period ended 30 January 2016.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £4.9 million (2015 - £3.2 million). The directors did not pay a dividend in the period (2015: £nil).

DIRECTORS

The directors who served during the period were:

H.E. H A Al-Abdulla (resigned 2 February 2015)

H.E. A M Al-Sayed (resigned 2 February 2015)

M A Bin Yusof

M A Ward

J P Edgar

KPIs

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

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

POST BALANCE SHEET EVENTS

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

HARRODS CORPORATE MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JANUARY 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 then apply them consistently;
- make judgments 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.

DISCLOSURE OF INFORMATION TO AUDITORS

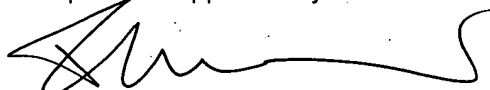
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Ernst & Young will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 7 June 2016 and signed on its behalf.



D J Webster
Company secretary

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

HARRODS CORPORATE MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HARRODS CORPORATE MANAGEMENT LIMITED

We have audited the financial statements of Harrods Corporate Management Limited for the period ended 30 January 2016, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 January 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

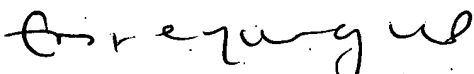
HARRODS CORPORATE MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HARRODS CORPORATE
MANAGEMENT LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.



Julie Carlyle (Senior Statutory Auditor)

for and on behalf of
Ernst & Young

1 More London Place
London
SE1 2AF

Date: 8 June 2006

HARRODS CORPORATE MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JANUARY 2016

	Note	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Turnover	2	37.1	35.7
Gross profit		37.1	35.7
Administrative expenses		(10.9)	(10.9)
Operating profit		26.2	24.8
Interest payable and similar charges	4	(17.3)	(17.8)
Profit on ordinary activities before taxation		8.9	7.0
Taxation on profit on ordinary activities	5	(4.0)	(3.8)
Profit for the period		4.9	3.2

The notes on pages 11 to 15 form part of these financial statements.

HARRODS CORPORATE MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JANUARY 2016

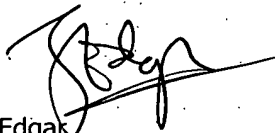
	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Note		
Profit for the financial period	4.9	3.2
Other comprehensive income	-	-
Total comprehensive income for the period	4.9	3.2

HARRODS CORPORATE MANAGEMENT LIMITED
Registered number: 8022049

BALANCE SHEET
AS AT 30 JANUARY 2016

	Note	30 January 2016 £M	31 January 2015 £M
Fixed assets			
Intangible assets	6	500.2	511.0
		<u>500.2</u>	<u>511.0</u>
Current assets			
Debtors: amounts falling due within one year	7	3.9	3.6
Cash and cash equivalents		2.2	0.8
		<u>6.1</u>	<u>4.4</u>
Creditors: amounts falling due within one year	8	(7.9)	(7.4)
Net current liabilities		<u>(1.8)</u>	<u>(3.0)</u>
Total assets less current liabilities		<u>498.4</u>	<u>508.0</u>
Creditors: amounts falling due after more than one year	9	(488.0)	(502.5)
Net assets		<u><u>10.4</u></u>	<u><u>5.5</u></u>
Capital and reserves			
Profit and loss account		<u>10.4</u>	<u>5.5</u>
		<u><u>10.4</u></u>	<u><u>5.5</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2016.



J.P. Edgar
Director

The notes on pages 11 to 15 form part of these financial statements.

HARRODS CORPORATE MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JANUARY 2016**

	Profit and loss account	Total equity
	£M	£M
At 1 February 2015	5.5	5.5
Comprehensive income for the period		
Profit for the period	4.9	4.9
Other comprehensive income for the period	-	-
Total comprehensive income for the period	4.9	4.9
At 30 January 2016	10.4	10.4

The notes on pages 11 to 15 form part of these financial statements.

HARRODS CORPORATE MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 31 JANUARY 2015

	Profit and loss account	Total equity
	£M	£M
At 2 February 2014	2.3	2.3
Comprehensive income for the period		
Profit for the period	3.2	3.2
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>3.2</u>	<u>3.2</u>
At 31 January 2015	<u>5.5</u>	<u>5.5</u>

The notes on pages 11 to 15 form part of these financial statements.

HARRODS CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JANUARY 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Application of FRS 102 is required for all accounting periods beginning on or after 1 January 2015 (the effective date). This is the first year of adoption for the company. In accordance with section 35.6 the standard has been applied to all comparatives (reported balances for financial periods ending 31 January 2015 and 1 February 2014) and related information.

There is no impact of the first time adoption of FRS 102 to the company's financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies.

1.2 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);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Harrods Group (Holding) Limited, the ultimate UK parent undertaking, as at 30 January 2016 and these financial statements may be obtained from the Registrar of Companies.

1.3 TURNOVER

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

1.4 INTANGIBLE ASSETS

Trademarks are included at cost subject to an annual impairment review, and are amortised over 50 years.

1.5 TAXATION

Current tax, including UK corporation tax and foreign tax, is provided at 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.

1.6 GOING CONCERN

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JANUARY 2016

2. ANALYSIS OF TURNOVER

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

	52 weeks ended 30 January 2016 £M	<i>52 weeks ended 31 January 2015 £M</i>
Royalties arising on licensing agreements	37.1	35.7
	<u>37.1</u>	<u>35.7</u>

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	52 weeks ended 30 January 2016 £M	<i>52 weeks ended 31 January 2015 £M</i>
Amortisation of intangible assets, including goodwill	<u>10.8</u>	<u>10.9</u>

Audit fees for the period were £4,148 (2015: £4,148).

The company did not employ any persons or incur any staff costs during the period (2015: £nil).

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.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 30 January 2016 £M	<i>52 weeks ended 31 January 2015 £M</i>
Loans from group undertakings	17.3	17.8
	<u>17.3</u>	<u>17.8</u>

HARRODS CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016

5. TAXATION

	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Current tax		
Group relief payable	4.0	3.6
Corporation tax payable	-	0.2
Total tax on profit on ordinary activities	<u>4.0</u>	<u>3.8</u>

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20.16% (2015 - 21.32%). The differences are explained below:

	52 weeks ended 30 January 2016 £M	52 weeks ended 31 January 2015 £M
Profit on ordinary activities before tax	<u>8.9</u>	<u>7.0</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.16% (2015 - 21.32%)	1.8	1.5
Effects of:		
Expenses not deductible for tax purposes	2.2	2.3
Total tax charge for the period	<u>4.0</u>	<u>3.8</u>

The standard rate of tax applied to profit on ordinary activities is 20.16% (2015: 21.32%). The tax rate for the year has reduced following the gradual reduction of the corporation tax rates introduced in Finance Act 2013, with a tax rate of 20% applicable from 1 April 2015.

Following the substantive enactment of Finance (No. 2) Act 2015 on 18 November 2015, future tax rates will further decrease from 20% to 19% from 1 April 2017 and then down to 18% from 1 April 2020.

On 16 March 2016 the Chancellor of the exchequer announced in his Budget that corporation tax rates will further decrease to 17% and this will replace the expected decrease to 18% from 1 April 2020.

HARRODS CORPORATE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016

6. INTANGIBLE ASSETS

	Trademarks £M
Cost	
At 1 February 2015	541.0
At 30 January 2016	<u>541.0</u>
Amortisation	
At 1 February 2015	30.0
Charge for the year	10.8
At 30 January 2016	<u>40.8</u>
Net book value	
At 30 January 2016	<u>500.2</u>
<i>At 31 January 2015</i>	<u>511.0</u>

7. DEBTORS

	30 January 2016 £M	31 January 2015 £M
Prepayments and accrued income	3.9	3.6
	<u>3.9</u>	<u>3.6</u>

8. CREDITORS: Amounts falling due within one year

	30 January 2016 £M	31 January 2015 £M
Amounts owed to group undertakings	2.1	-
Group relief payable	4.2	3.6
Taxation and social security	-	2.1
Accruals and deferred income	1.6	1.7
	<u>7.9</u>	<u>7.4</u>

HARRODS CORPORATE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016**

9. CREDITORS: Amounts falling due after more than one year

	30 January 2016 £M	31 January 2015 £M
Other Loan	488.0	502.5
	488.0	502.5

Other loan refers to a loan from Harrods Limited of £488.0m (2015: £502.5m) 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.

10. SHARE CAPITAL

	30 January 2016 £	31 January 2015 £
Authorised, allotted, called up and fully paid		
100 Allotted, called up and fully paid shares of £1 each	100	100

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. RELATED PARTY TRANSACTIONS

In its first period of operation ending 2 February 2013, Harrods Corporate Management Limited acquired the Harrods trademarks from Harrods Limited, a group undertaking, for a consideration of £541m through an interest bearing loan from Harrods Limited.

Harrods Corporate Management Limited receives royalties from a number of group undertakings for use of the Harrods trademarks. In the period ending 30 January 2016, all of the income received by Harrods Corporate Management Limited (£37.1m) (2015: £35.7m) was from group undertakings.

As at 30 January 2016, the loan outstanding to Harrods Limited was £488.0m (2015: £502.5m).

12. CONTROLLING PARTY

The company's immediate parent undertaking 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. The group accounts will be filed with the Registrar of Companies in due course.

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.

13. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have no impact on equity or profit or loss.