

Registration number:0835993

Harrods Estates Limited

Directors' Report and Unaudited Financial Statements

for the period ended 02 February 2019



Harrods Estates Limited

Contents

Directors' Report	1 to 2
Statement of Directors' Responsibilities	3
Profit and Loss Account	4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 to 20

Harrods Estates Limited
Directors' Report
for the period ended 2 February 2019

The directors present their Report and Financial Statements for the 52 week period ended 2 February 2019 (2018: 53 weeks).

Principal activity

The principal activity of the company is that of estate agents and property managers.

Fair review of the business

Volumes of sales decreased again reflecting concerns over macro-economic conditions with prices also reducing in places. The Lettings market also experienced a difficult year with reduced demand and increased supply reducing rents and volume of transactions.

Results and dividends

The profit for the period, after taxation, amounted to £1,489,768 (2018 £229,714 loss). This includes a profit on sale of subsidiary of £2,752,433 (2018: £nil). The directors do not recommend the payment of dividend (2018: £nil).

On 16 March 2018, Harrods Estates Limited completed the sale of its subsidiary, PL Management Limited, to a third party for consideration of £2.5m.

Directors of the Company

The directors who held office during the period were:

J M P Cook

S P Drummond

M A Ward

S Barry

S McIntyre

Disabled employees

It is the policy of the company to give full and fair consideration to applications for employment from disabled persons, to continue wherever possible the employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons.

Employee involvement

Information is provided regularly by means of normal management communication channels using written material, face-to-face meetings and team presentations.

Consultation with employees takes place through elected staff committees, health and safety committees and through normal recognised trade union channels. Employees are made aware of their contribution to the company through team meetings and updates as well as through individual performance appraisals.

Credit Risk

The company's principal credit risk relates to the recovery of trade debtors. Credit risk is mitigated by the ability to offset amounts due against income received from the tenants (lettings), or recovered from solicitors on completion of sale(s). Credit risk is further managed by reviewing aged debtors on a regular basis.

Interest rate risk

Exposure to interest rate risk is limited through the use of fixed interest rates on inter company loans.

Harrods Estates Limited

Directors' Report for the period ended 2 February 2019 (continued)

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.

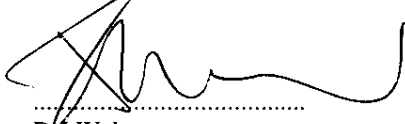
KPIs

There are no KPIs required to be reported other than profit/(loss), after taxation, that would give a fuller understanding to the business.

Post balance sheet events

On 25 March 2019, Harrods Estates surrendered the lease for the Kensington Church Street office, for a reverse premium of £500,000.

Approved by the <Board> on 17 July 2019 and signed on its behalf by:



.....
D.J. Webster
Company secretary

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

Harrods Estates Limited

Statement of Directors' Responsibilities for the period ended 2 February 2019

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.

Harrods Estates Limited
Profit and Loss Account
For the period ended 2 February 2019

	Note	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Turnover	2	2,226,678	2,891,153
Cost of sales		<u>(1,924,485)</u>	<u>(2,015,907)</u>
Gross profit		302,193	875,246
Distribution costs		-	(170)
Administrative expenses		<u>(1,689,310)</u>	<u>(1,980,340)</u>
Operating loss	3	(1,387,117)	(1,105,264)
Profit on disposal of subsidiaries		2,752,433	-
Income from shares in group companies	6	-	909,396
Other interest receivable and similar income	7	1,314	495
Interest payable and similar expenses	8	<u>(156,501)</u>	<u>(293,284)</u>
Profit/(loss) before tax		1,210,129	(488,657)
Taxation	9	<u>279,639</u>	<u>258,943</u>
Profit/(loss) for the financial period		<u><u>1,489,768</u></u>	<u><u>(229,714)</u></u>

The notes on pages 8 to 20 form an integral part of these financial statements.

Harrods Estates Limited

Statement of Comprehensive Income For the period ended 2 February 2019

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Note		
Profit/(loss) for the period	<u>1,489,768</u>	<u>(229,714)</u>
Other comprehensive income		
Actuarial gain on defined benefit schemes	521,357	11,447
Movement on deferred tax relating to pension surplus	<u>(88,631)</u>	<u>(1,946)</u>
Other comprehensive income for the period	<u>432,726</u>	<u>9,501</u>
Total comprehensive income for the period	<u><u>1,922,494</u></u>	<u><u>(220,213)</u></u>

The notes on pages 8 to 20 form an integral part of these financial statements.

Harrods Estates Limited

Registration number: 0835993

Balance Sheet

as at 2 February 2019

	Note	02 February 2019 £	03 February 2018 £
Fixed assets			
Tangible assets	10	209,420	282,215
Investments	11	-	2
		209,420	282,217
Current assets			
Debtors: amounts falling due within one year	12	1,253,501	865,524
Cash at bank and in hand		113,813	154,375
		1,367,314	1,019,899
Creditors: amounts falling due within one year	13	(2,890,927)	(4,012,698)
Net current liabilities		(1,523,613)	(2,992,799)
Total assets less current liabilities		(1,314,193)	(2,710,582)
Creditors: amounts falling due after more than one year	13	(511,067)	(509,853)
Deferred Tax net liability	9	(76,668)	-
Net liabilities excluding pension liability		(1,901,928)	(3,220,435)
Pension asset	17	682,490	78,503
Net liabilities		(1,219,438)	(3,141,932)
Capital and reserves			
Called up share capital	14	640,000	640,000
Profit and loss account		(1,859,438)	(3,781,932)
Total equity		(1,219,438)	(3,141,932)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provision of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of Financial Statements. The Company's Financial Statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Approved and authorised by the board on 17 July 2019 and signed on its behalf:



.....
J M P Cook

Director

The notes on pages 8 to 20 form an integral part of these financial statements.

Harrods Estates Limited

Statement of Changes in Equity For the period ended 3 February 2018

	Share capital £	Retained earnings £	Total equity £
At 29 January 2017	640,000	(3,561,719)	(2,921,719)
Loss for the period	-	(229,714)	(229,714)
Other comprehensive income	-	9,501	9,501
Total comprehensive income for the period	-	(220,213)	(220,213)
At 3 February 2018	640,000	(3,781,932)	(3,141,932)

	Share capital £	Retained earnings £	Total equity £
At 4 February 2018	640,000	(3,781,932)	(3,141,932)
Profit for the period	-	1,489,768	1,489,768
Other comprehensive income	-	432,726	432,726
Total comprehensive income for the period	-	1,922,494	1,922,494
At 2 February 2019	640,000	(1,859,438)	(1,219,438)

The notes on pages 8 to 20 form an integral part of these financial statements.

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019

1 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 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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 2 February 2019 and these Financial Statements may be obtained from the Registrar of Companies.

Turnover

Agency fees on property sales are recognised on exchange of contract, lettings fees are recognised as turnover of receipt of funds from tenants to the extent that these fees are guaranteed (as determined by the specific terms of each contract), and property management fees are recognised in the period in which the service is provided.

Tangible assets

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixture and fittings	3 to 10 years

Operating leases

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

1 Accounting policies (continued)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit or Loss Account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in the Statement of Other Comprehensive Income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the Financial Statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Pensions

Defined contribution Scheme

The pension costs are charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

Certain company employees are members of the Harrods Group Pension Plan under which retirement benefits are funded by contributions from the company. Payment is made to the pension trust, which is separate from the company, in accordance with calculations made periodically by consulting actuaries.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the Balance Sheet.

A net surplus is recognised only to the extent that it is recoverable by the company. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits includes the interest cost on the scheme liabilities for the period and the interest income on the scheme assets and are included in finance costs. In addition, administrative expenses which are funded by the company are also charged to the profit and loss account under operating costs.

Actuarial gains and losses including return on assets in excess or short of the interest income as well as movement in the liabilities due to changes in assumptions net of the interest costs as well as experience adjustments are recorded in the Statement of Other Comprehensive Income.

Disclosure has been made of the assets and liabilities under FRS102 sections 28.41 and 28.41A.

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

2 Turnover

The analysis of the company's turnover for the period is attributable to continuing operations as follows:

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Turnover	<u>2,226,678</u>	<u>2,891,153</u>

All turnover arose within the United Kingdom.

3 Operating profit

The operating loss is stated after charging:

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Operating leases	518,757	585,882
Depreciation of tangible fixed assets	<u>72,795</u>	<u>97,316</u>

4 Employees

Staff costs were as follows:

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Wages and salaries	1,621,164	1,697,938
Social security costs	187,118	238,896
Cost of defined contribution scheme	<u>84,177</u>	<u>67,957</u>
	<u>1,892,459</u>	<u>2,004,791</u>

The average monthly number of employees, including directors during the period was as follows:

	52 weeks ended 02 February 2019	53 weeks ended 03 February 2018
Average number of employees	<u>26</u>	<u>27</u>

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

5 Directors' remuneration

During the period retirement benefits were accruing to 2 director (2018 - 2) in respect of defined benefit pension schemes.

During the period retirement benefits were accruing to 4 directors (2018 - 4) in respect of defined contribution pension schemes.

Remuneration in respect of directors was as follows:

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Emoluments	<u>689,791</u>	<u>659,209</u>

Included in emoluments for the period ended 2 February 2019 are pension contributions of £42,109 (2018: £34,522). The value of emoluments incurred directly by the company was £689,791 (2018: £659,209).

The amounts set out above include remuneration in respect of the highest paid director as follows:

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
	<u>276,334</u>	<u>304,992</u>

6 Dividends

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Dividend receivable from group undertakings	<u>-</u>	<u>909,396</u>

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

7 Interest receivable

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Interest receivable from group companies	737	456
Other interest receivable	577	39
	1,314	495

8 Interest payable and similar charges

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Interest on bank overdrafts and borrowings	-	851
Loans from group undertakings	156,501	292,433
	156,501	293,284

9 Taxation

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Current taxation		
Group relief receivable for the period	(302,363)	(273,406)
Adjustments in respect of prior years	-	11,170
Total current income tax	(302,363)	(262,236)
Deferred taxation		
Origination and reversal of timing differences	16,608	15,655
Arising from changes in tax rates	-	(1,766)
Adjustment in respect of previous periods	6,116	(10,596)
Total deferred taxation	22,724	3,293
Tax credit in the Profit and Loss account	(279,639)	(258,943)

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

9 Taxation (continued)

Tax relating to items recognised in other comprehensive income or equity

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Current tax related to items recognised as items of other comprehensive income	<u>88,631</u>	<u>1,946</u>

The tax on loss before for the period is lower than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19.16%).

The differences are reconciled below:

	52 weeks ended 02 February 2019 £	53 weeks ended 03 February 2018 £
Profit/(loss) before tax	<u>1,210,129</u>	<u>(488,657)</u>
Corporation tax at standard rate	229,925	(93,635)
(Income)/expense not deductible for tax purposes	(513,726)	(164,116)
Impact of tax rate changes	(1,954)	(1,766)
Adjustments in respect of prior periods	<u>6,116</u>	<u>574</u>
Total tax credit	<u>(279,639)</u>	<u>(258,943)</u>

The standard rate of tax applied to profit on ordinary activities is 19% (2018: 19.16%). The Finance (No 2) Act 2015 introduced a reduction in the corporation tax rate to 19% for financial years 2017, 2018 and 2019. The Finance Act 2016 further reduced the corporation tax rate to 17% from 1 April 2020.

As a result, deferred tax balances have been calculated using 17% on the basis that the assets/liabilities are expected to unwind over a number of years.

Deferred Tax

Deferred tax provided for at 17% (2018: 17%) in the Financial Statements is set out below:

	2 February 2019 £	3 February 2018 £
Fixed asset timing differences	36,150	45,173
Short term timing differences	<u>(112,818)</u>	<u>(10,486)</u>
Deferred tax (liability)/asset	<u>(76,668)</u>	<u>34,687</u>

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

10 Tangible assets

	Furniture, fittings and equipment £	Other tangible assets £	Total £
Cost or valuation			
At 4 February 2018	<u>837,028</u>	<u>77,161</u>	<u>914,189</u>
At 2 February 2019	<u>837,028</u>	<u>77,161</u>	<u>914,189</u>
Depreciation			
At 4 February 2018	565,526	66,448	631,974
Charge for the period	<u>69,589</u>	<u>3,206</u>	<u>72,795</u>
At 2 February 2019	<u>635,115</u>	<u>69,654</u>	<u>704,769</u>
Carrying amount			
At 2 February 2019	<u>201,913</u>	<u>7,507</u>	<u>209,420</u>
At 3 February 2018	<u>271,502</u>	<u>10,713</u>	<u>282,215</u>

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

11 Fixed asset Investments

	02 February 2019 £	03 February 2018 £
Investments in subsidiaries	<u>-</u>	<u>2</u>
Subsidiaries		£
Cost or valuation		
At 4 February 2018		2
Disposals		<u>(2)</u>
At 2 February 2019		<u>-</u>
Provision		
At 4 February 2018		<u>-</u>
At 2 February 2019		<u>-</u>
Carrying amount		
At 2 February 2019		<u>-</u>
At 3 February 2018		<u>2</u>

On 16 March 2018, Harrods Estates Limited completed the sale of its subsidiary, PL Management Limited, to a third party for consideration of £2.5m.

12 Debtors

	02 February 2019 £	03 February 2018 £
Trade debtors	305,101	99,003
Other debtors	500,000	289,867
Prepayments and accrued income	146,037	168,561
Group relief receivable	302,363	273,406
Deferred tax assets	<u>-</u>	<u>34,687</u>
Total current trade and other debtors	<u>1,253,501</u>	<u>865,524</u>

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

13 Creditors; Amounts falling due within one year

	02 February 2019 £	03 February 2018 £
Trade creditors	7,647	15,475
Amounts due to related parties	2,291,299	3,661,028
Social security and other taxes	40,806	(33,216)
Other payables	30,375	30,375
Accruals and deferred income	520,800	339,036
	2,890,927	4,012,698

Amounts owed to group undertakings include a non-interest bearing current account, with Harrods Limited of £ 2,290,773 (2018: £3,661,028).

Creditors: Amount falling due after more than one year

Loans and borrowings	498,817	498,817
Accruals and deferred income	12,250	11,036
	511,067	509,853

Amounts owed to group undertakings include an interest bearing loan at 7.11%, with Harrods Limited of £498,817 (2018: £498,817). The debt is unsecured and repayable with not less than 13 months prior written notice.

14 Share capital

Authorised, allotted, called up and fully paid shares

	02 February 2019		03 February 2018	
	No.	£	No.	£
Allotted, called up and fully paid shares of £1 each	640,000	640,000	640,000	640,000

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

15 Contingent liabilities

The Harrods Group (Holding) Group's cash netting facility is guaranteed by Harrods Estates Limited and other group companies.

There were no other contingent liabilities at 2 February 2019 or 3 February 2018.

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

16 Capital commitments

The company had no capital commitments at 2 February 2019 or 3 February 2018.

17 Pension commitments

The company operates a defined contribution pension scheme and a defined benefit pension scheme.

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £81,421 (2018 - £65,600).

Defined benefit pension schemes

During the period the group operated the Harrods Group Pension Plan (“the Plan”), an approved defined benefit scheme. This scheme was closed to new membership and new accruals in April 2006.

The funding position of the Plan is monitored by the Trustee and the Harrods Group on a quarterly basis and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004.

An actuarial valuation of the Plan as at 5 April 2018 on a technical provision basis was carried out by the Scheme Actuary, with a surplus of £11m being calculated on that basis, a funding level of 102%. At the previous valuation at 5 April 2015, there was a deficit of £45m equating to a funding level of 93%.

Following the results of the April 2018 valuation, given that the scheme was now in surplus, the Group and the Pension Trustee agreed the following:

- Annual contributions reduced to nil.
- Plan expenses (including any insurance premiums and PPF levies) estimated at £1.0m per annum to continue to be met by the Employers.
- To bring forward the implementation of the Cashflow Driven Investment strategy involving de-risking the plan’s assets.
- Recognising the risks that – albeit reduced - remain in the valuation of the plan, the principal employer has also agreed to fund any deficits outside an agreed tolerance band during this period.

In aggregate, during the period ended 2 February 2019, the participating employers made total contributions to the plan of £15.5m (2018: £31.5m).

The next triennial valuation is scheduled for April 2021.

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

17 Pension commitments (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the Balance Sheet are as follows:

	02 February 2019	03 February 2018
	£	£
Fair value of scheme assets	4,053,442	4,038,517
Present value of defined benefit obligation	<u>(3,370,952)</u>	<u>(3,960,014)</u>
Defined benefit pension scheme surplus	<u>682,490</u>	<u>78,503</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	02 February 2019
	£
Present value at start of period	(3,960,014)
Past service cost	(12,237)
Interest cost	(99,418)
Benefits paid	134,449
Actuarial gains and losses	<u>566,268</u>
Present value at end of period	<u>(3,370,952)</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	02 February 2019
	£
Fair value at start of period	4,038,517
Interest income	102,711
Return on plan assets, excluding amounts included in interest income	(44,911)
Employer contributions	100,058
Benefits paid	(134,449)
Administrative Expenses	<u>(8,484)</u>
Fair value at end of period	<u>4,053,442</u>

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

17 Pension commitments (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	02 February 2019 £	03 February 2018 £
Cash and cash equivalents	521,530	9,349
Equity instruments	-	615,511
Debt instruments	2,654,014	1,785,792
Other assets	877,898	1,627,865
	<u>4,053,442</u>	<u>4,038,517</u>

Principal actuarial assumptions

The principal actuarial assumptions at the Balance Sheet date are as follows:

	02 February 2019 %	03 February 2018 %
Discount rate	2.65	2.55
Future pension increases	2.15	2.25
Inflation	<u>3.15</u>	<u>3.25</u>

Post retirement (after age 60) mortality assumptions

	02 February 2019 Years	03 February 2018 Years
Current UK pensioners at retirement age - male	27.60	27.70
Current UK pensioners at retirement age - female	29.30	29.40
Future UK pensioners at retirement age - male	29.50	29.60
Future UK pensioners at retirement age - female	<u>31.20</u>	<u>31.30</u>

18 Commitments under operating leases

At 2 February 2019 the Company had the future minimum lease payments under non-cancellable operating leases as follows:

	02 February 2019 £	03 February 2018 £
Not later than one year	530,592	520,175
Later than one year and not later than five years	1,580,700	1,841,117
Later than five years	625,694	1,020,869
	<u>2,736,986</u>	<u>3,382,161</u>

Harrods Estates Limited

Notes to the Financial Statements for the period ended 2 February 2019 (continued)

19 Related party transactions

The company has taken advantage of the exemption in FRS102, section 33 "Related Party Disclosures" from disclosing transactions with other members of the group.

20 Parent and ultimate parent undertaking

The company is controlled by Harrods Limited. Harrods Limited is a company registered in London. The ultimate United Kingdom parent undertaking of Harrods Limited is Harrods Group (Holding) Limited. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) Limited.

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.