

**Registration number: 0835993**

# Harrods Estates Limited

Directors' Report and Unaudited Financial Statements

for the Period Ended 28 January 2017

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# Harrods Estates Limited

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## **Harrods Estates Limited**

### **Directors' Report for the Period ended 28 January 2017**

The directors present their report and the financial statements for the period ended 28 January 2017.

#### **Principal activity**

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

#### **Fair review of the business**

Volume of sales increased substantially in 2016 in Prime Central London with purchasers taking advantage of price re-adjustments and potential further discounts produced for international buyers by the fall in sterling. Hence income returned to more normal levels than those experienced in 2015. Being in prime central London, the performance was probably better than competitors who have more offices and therefore greater exposure to falls in volume across the whole of London.

#### **Results and dividends**

The loss for the period, after taxation, amounted to £ 259,510 (2016 - loss £1,826,599. The directors do not recommend the payment of dividend (2016: £nil).

#### **Directors of the Company**

The directors who held office during the period were:

J M P Cook

S R Humphrey (resigned 31 March 2016)

S P Drummond

Raine, Countess Spencer (deceased 21 October 2016)

E Woolgar

R Stephenson

The following directors were appointed after the period end:

M A Ward (appointed 24 May 2017)

J P Edgar (appointed 24 May 2017)

#### **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), service charges received from leaseholders (property management), or recovered from solicitors on completion of sale (sales). Credit risk is further managed by reviewing aged debtors on a regular basis.

## Harrods Estates Limited

### Directors' Report for the Period ended 28 January 2017 (continued)

#### Interest rate risk

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


#### 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 turnover and operating profit that would give a fuller understanding to the business.

Approved by the Board on 5 June 2017 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 28 January 2017**

The directors are responsible for preparing the Director's 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; 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 28 January 2017**

	Note	52 weeks ended 28 January 2017 £	52 weeks ended 30 January 2016 £
Turnover	2	3,792,370	2,224,257
Cost of sales		(2,325,904)	(2,119,929)
<b>Gross profit</b>		<b>1,466,466</b>	<b>104,328</b>
Distribution costs		5,189	(2,065)
Administrative expenses		(1,894,665)	(2,216,359)
<b>Operating loss</b>	3	<b>(423,010)</b>	<b>(2,114,096)</b>
Income from shares in group companies	6	300,000	-
Other interest receivable and similar income	7	8,264	604
Interest payable and similar expenses	8	(280,159)	(164,429)
<b>Loss before tax</b>		<b>(394,905)</b>	<b>(2,277,921)</b>
Tax on loss	9	135,395	451,322
<b>Loss for the period</b>		<b>(259,510)</b>	<b>(1,826,599)</b>

**Harrods Estates Limited**

**Statement of Comprehensive Income  
For the Period Ended 28 January 2017**

	<b>52 weeks ended 28 January 2017 £</b>	<b>52 weeks ended 30 January 2016 £</b>
Loss for the period	(259,510)	(1,826,599)
<b>Other comprehensive income</b>		
Actuarial (loss)/gain on defined benefit schemes	(324,337)	120,372
Movement on deferred tax relating to pension losses/(gains)	56,777	(21,667)
<b>Other comprehensive income for the period</b>	(267,560)	98,705
<b>Total comprehensive income for the period</b>	<b>(527,070)</b>	<b>(1,727,894)</b>

**Harrods Estates Limited**  
**Registration number: 0835993**  
**Balance Sheet**  
**As at 28 January 2017**

	Note	28 January 2017 £	30 January 2016 £
<b>Fixed assets</b>			
Tangible assets	10	426,304	520,369
Investments	11	2	2
		<u>426,306</u>	<u>520,371</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	1,344,679	1,025,100
Cash at bank and in hand		41,807	108,190
		<u>1,386,486</u>	<u>1,133,290</u>
Creditors: amounts falling due within one year	13	<u>(4,106,255)</u>	<u>(3,671,733)</u>
<b>Net current liabilities</b>		<b><u>(2,719,769)</u></b>	<b><u>(2,538,443)</u></b>
<b>Total assets less current liabilities</b>		<b><u>(2,293,463)</u></b>	<b><u>(2,018,072)</u></b>
Creditors: amounts falling due after more than one year	13	<u>(511,268)</u>	<u>(511,071)</u>
<b>Net liabilities excluding pension asset/(liability)</b>		<b><u>(2,804,731)</u></b>	<b><u>(2,529,143)</u></b>
Pension (liability)/asset	17	<u>(116,988)</u>	134,494
<b>Net liabilities</b>		<b><u>(2,921,719)</u></b>	<b><u>(2,394,649)</u></b>
<b>Capital and reserves</b>			
Called up share capital	14	640,000	640,000
Profit and loss account		<u>(3,561,719)</u>	<u>(3,034,649)</u>
<b>Total equity</b>		<b><u>(2,921,719)</u></b>	<b><u>(2,394,649)</u></b>

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 Companies act 2006 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 5 June 2017 and signed on its behalf by:



.....  
J M P Cook  
Director



## Harrods Estates Limited

### Statement of Changes in Equity As at 30 January 2016

	Share capital £	Retained earnings £	Total equity £
At 1 February 2015	640,000	(1,306,755)	(666,755)
Loss for the period	-	(1,826,599)	(1,826,599)
Other comprehensive income	-	98,705	98,705
Total comprehensive income	-	(1,727,894)	(1,727,894)
<b>At 30 January 2016</b>	<b>640,000</b>	<b>(3,034,649)</b>	<b>(2,394,649)</b>

	Share capital £	Retained earnings £	Total equity £
At 31 January 2016	640,000	(3,034,649)	(2,394,649)
Loss for the period	-	(259,510)	(259,510)
Other comprehensive income	-	(267,560)	(267,560)
Total comprehensive income for the period	-	(527,070)	(527,070)
<b>At 28 January 2017</b>	<b>640,000</b>	<b>(3,561,719)</b>	<b>(2,921,719)</b>

# Harrods Estates Limited

## Notes to the Financial Statements for the Period ended 28 January 2017

### 1 Accounting policies

#### **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.

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.

The following principal accounting policies have been applied.

#### **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.

#### **Turnover**

Agency fees on property sales are recognised on exchange 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**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected usual lives.

Depreciation is provided on the following bases:

Fixtures 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.

#### **Investments**

Investments are included at cost less any impairment.

#### **Taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates that have been enacted or substantively enacted by the balance sheet date.

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 1 Accounting policies (continued)

##### 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 group 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 other comprehensive income.

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

#### 2 Analysis of turnover

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

	<b>52 weeks ended 28 January 2017 £</b>	<b>52 weeks ended 30 January 2016 £</b>
Turnover excluding VAT arises from operations in the United Kingdom	<u>3,792,370</u>	<u>2,224,257</u>

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 3 Operating loss

The operating loss is stated after charging:

	<b>52 weeks ended 28 January 2017 £</b>	<b>52 weeks ended 30 January 2016 £</b>
Operating leases	585,756	491,788
Depreciation of tangible fixed assets	100,990	91,298
	100,990	91,298

#### 4 Employees

Staff costs were as follows:

	<b>52 weeks ended 28 January 2017 £</b>	<b>52 weeks ended 30 January 2016 £</b>
Wages and salaries	2,017,334	1,824,527
Social security costs	228,077	211,367
Cost of defined contribution scheme	71,055	72,316
	2,316,466	2,108,210

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

	<b>52 weeks ended 28 January 2017 No.</b>	<b>52 weeks ended 30 January 2016 No.</b>
Average number of employees	25	25
	25	25

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 5 Directors' remuneration

During the period retirement benefits were accruing to 1 director (2016 - 3) in respect of defined benefit pension schemes.

During the period retirement benefits were accruing to 3 directors (2016 - 2) in respect of defined contribution pension schemes.

Remuneration in respect of directors was as follows:

	<b>52 weeks ended 28 January 2017 £</b>	<b>52 weeks ended 30 January 2016 £</b>
Emoluments	763,920	760,539

Included in emoluments for the period ended 28 January 2017 are pension contributions of £30,811 (2016: £41,926). The value of emoluments incurred directly by the company was £763,920 (2016: £760,539).

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

	<b>52 weeks ended 28 January 2017 £</b>	<b>52 weeks ended 30 January 2016 £</b>
Defined benefit accrued pension entitlement at the end of the period	296,231	296,074

#### 6 Dividends

	<b>52 weeks ended 28 January 2017 £</b>	<b>52 weeks ended 30 January 2016 £</b>
Dividend receivable from group undertakings	300,000	-

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 7 Interest receivable

	52 weeks ended 28 January 2017 £	52 weeks ended 30 January 2016 £
Interest receivable from group companies	388	478
Other interest receivable	133	126
Other finance income	7,743	-
	8,264	604

#### 8 Interest payable and similar charges

	52 weeks ended 28 January 2017 £	52 weeks ended 30 January 2016 £
Loans from group undertakings	280,159	164,233
Other finance costs	-	196
	280,159	164,429

#### 9 Taxation

	52 weeks ended 28 January 2017 £	52 weeks ended 30 January 2016 £
<b>Current taxation</b>		
Group relief receivable for the period	(136,905)	(476,882)
Adjustments in respect of prior years	536	6,114
	(136,369)	(470,768)
<b>Deferred taxation</b>		
Origination and reversal of timing differences	974	19,446
Total deferred taxation	974	19,446
Tax receipt in the income statement	(135,395)	(451,322)

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 9 Taxation (continued)

##### Tax relating to items recognised in other comprehensive income or equity

	52 weeks ended 28 January 2017 £	52 weeks ended 30 January 2016 £
Current tax related to items recognised as items of other comprehensive income	56,777	(21,667)

The tax on loss before tax for the period is higher than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 20% (2016 - 20.16%).

The differences are reconciled below:

	52 weeks ended 28 January 2017 £	52 weeks ended 30 January 2016 £
Loss before tax	(394,905)	(2,277,921)
Corporation tax at standard rate	(78,981)	(459,229)
Income/expense not deductible for tax purposes	(57,478)	3,821
Impact of tax rate changes	265	(1,338)
Adjustments in respect of prior periods	799	5,424
Total tax credit	(135,395)	(451,322)

The standard rate of tax applied to profit on ordinary activities is 20% (2016: 20.16%). 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 reduces the corporation tax rate to 17% from 1 April 2020 (previously 18%).

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% (2016: 18%) in the financial statements is set out below:

	28 January 2017 £	30 January 2016 £
Fixed assets	16,771	11,438
Provisions	3,267	2,207
Retirement benefit obligations asset	19,887	-
	39,925	13,645

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 10 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>			
At 31 January 2016	1,017,768	70,236	1,088,004
Additions	6,925	-	6,925
At 28 January 2017	1,024,693	70,236	1,094,929
<b>Depreciation</b>			
At 31 January 2016	504,961	62,674	567,635
Charge for the year	99,169	1,821	100,990
At 28 January 2017	604,130	64,495	668,625
<b>Carrying amount</b>			
At 28 January 2017	420,563	5,741	426,304
At 30 January 2016	512,807	7,562	520,369

#### 11 Fixed asset Investments

	28 January 2017 £	30 January 2016 £
Investments in subsidiaries	2	2
<b>Subsidiaries</b>		
<b>£</b>		
<b>Cost or valuation</b>		
At 31 January 2016		2
<b>Provision</b>		
<b>Carrying amount</b>		
At 28 January 2017		2
At 30 January 2016		2

The fixed asset investment of £2 (2015: £2) represents the net book value of 2 ordinary shares held in the wholly owned subsidiary undertaking PL Management Company Ltd, a company registered in England and Wales.



## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 12 Debtors

	Note	28 January 2017 £	30 January 2016 £
Trade debtors		725,198	375,281
Amounts owed by group undertakings		300,411	13,968
Other debtors		-	2,110
Prepayments and accrued income		142,240	149,328
Group relief receivable		136,905	470,768
Deferred tax assets	9	39,925	13,645
<b>Total current trade and other debtors</b>		<b>1,344,679</b>	<b>1,025,100</b>

#### 13 Creditors; Amounts falling due within one year

		28 January 2017 £	30 January 2016 £
Trade creditors		27,128	54,142
Amounts due to related parties		3,438,326	3,013,052
Social security and other taxes		23,289	43,396
Other payables		30,574	23,166
Accruals and deferred income		586,938	537,977
		4,106,255	3,671,733

Amounts owed to group undertakings include a non-interest bearing current account payable on demand by the lender, with Harrods Limited of £3,438,326 (2016: £3,013,052).

#### Creditors: Amount falling due after more than one year

Loans and borrowings		498,817	498,817
Accruals and deferred income		12,451	12,254
		511,268	511,071

Amounts owed to group undertakings include an interest bearing loan at 7.11%, with Harrods Limited of £498,817 (2016: £498,817). The debt is unsecured and repayable with not less than 13 months prior written notice.

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 14 Share capital

##### Authorised, allotted, called up and fully paid shares

	28 January 2017		30 January 2016	
		£	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 28 January 2017 or at 30 January 2016.

#### 16 Capital commitments

The company had no capital commitments at 28 January 2017 or at 30 January 2016.

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 17 Pension commitments

##### 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 Trustees 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 2015 on a Scheme Specific Funding basis was carried out by the Scheme Actuary. The deficit on this basis was £45m as at 5 April 2015, a funding level of 93%. At the previous valuation at 5 April 2012, the shortfall was £77m equating to a funding level of 85%.

A revised recovery plan was subsequently agreed. In order for the Plan to be fully funded by 31 March 2021, the Trustees and Principal Employer agreed the following on 24 March 2016:

- Annual contributions totalling £5.0m per annum payable in each of 2016, 2017, 2018, 2019, 2020 with a final payment of £1.25m in March 2021.
- Plan expenses (including any insurance premiums and PPF levies) estimated at £1.0m per annum to continue to be met by the Employers.
- A number of changes to the investment strategy to be implemented with the aim of de-risking the plan.
- Recognising the risks inherent in the performance of the financial markets during the deficit correction period, the principal employer has also agreed to fund any deficits outside an agreed tolerance band during this period.

During the period ended 28 January 2017, the participating employers made total contributions to the plan of £6.5m (2016: £20.3m).

Due to the deficits falling below the lower agreed tolerance band as indicated above for three consecutive quarters in the period, the participating employers will be making additional contributions in the following year ending 3rd February 2018, commencing with £7.2m in March 2017 and to be reassessed quarterly thereafter. The additional payments will cease once the deficit recovers above the lower tolerance band.

##### Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	28 January 2017 £	30 January 2016 £
Fair value of scheme assets	3,859,041	2,967,882
Present value of defined benefit obligation	(3,976,029)	(2,833,388)
Defined benefit pension scheme (deficit)/surplus	(116,988)	134,494

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 17 Pension commitments (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	<b>28 January 2017 £</b>
Present value at start of period	(2,833,388)
Interest cost	(119,047)
Actuarial gains and losses	(732,913)
Benefits paid	101,178
Transfers and other adjustments	<u>(391,859)</u>
Present value at end of period	<u>(3,976,029)</u>

Fair value of scheme assets

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

	<b>28 January 2017 £</b>
Fair value at start of period	2,967,882
Interest income	126,790
Return on plan assets, excluding amounts included in interest income/(expense)	383,926
Employer contributions	41,716
Transfers and other adjustments	446,031
Benefits paid	(101,178)
Administrative expenses	<u>(6,126)</u>
Fair value at end of period	<u>3,859,041</u>

Analysis of assets

The major categories of scheme assets are as follows:

	<b>28 January 2017 £</b>	<b>30 January 2016 £</b>
Cash and cash equivalents	420,635	84,683
Equity instruments	536,407	989,800
Debt instruments	1,593,784	1,212,674
Other assets	<u>1,308,215</u>	<u>680,725</u>
	<u>3,859,041</u>	<u>2,967,882</u>

## Harrods Estates Limited

### Notes to the Financial Statements for the Period ended 28 January 2017 (continued)

#### 17 Pension commitments (continued)

##### Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	28 January 2017	30 January 2016
	%	%
Discount rate	2.85	3.75
Future pension increases	2.45	2.20
Inflation	3.45	3.00

##### Post retirement mortality assumptions

	28 January 2017	30 January 2016
	Years	Years
Current UK pensioners at retirement age - male	28.1	28.0
Current UK pensioners at retirement age - female	29.9	29.9
Future UK pensioners at retirement age - male	30.4	30.4
Future UK pensioners at retirement age - female	32.3	32.2

#### 18 Commitments under operating leases

At 28 January 2017 the Company had the future minimum lease payments under non-cancellable operating leases as follows:

	28 January 2017	30 January 2016
	£	£
Not later than one year	587,574	448,399
Later than one year and not later than five years	1,890,849	1,456,332
Later than five years	1,053,800	1,103,667
	<u>3,532,223</u>	<u>3,008,398</u>

#### 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 Ultimate parent undertaking

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