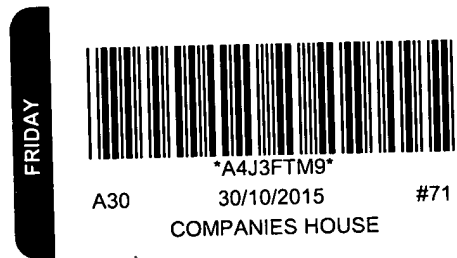


Registration number: 00879931

# Genavco Insurance Limited

Annual Report and Financial Statements

for the Period from 2 February 2014 to 31 January 2015



**Genavco Insurance Limited**  
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## **Genavco Insurance Limited**

### **Directors' Report for the Period from 2 February 2014 to 31 January 2015**

The directors present their report and the financial statements for the period from 2 February 2014 to 31 January 2015.

#### **Directors of the company**

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

Mr P K Winstone - Chairman (resigned 24 August 2014)

Mr D Meur

Mr M J McClymont

#### **Auditors**

The Company's auditors are Ernst & Young LLP. Their address is 1 More London Place, London, SE1 2AF.

#### **Principal activity**

The principal activity of the company is insurance broking.

#### **Business review**

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

The Company's key performance indicator during the year was profit/loss before taxation. There was a profit for the period before taxation of £53,779 (2014: £8,814). The increase in profit before tax over last year was largely due to an increase in commission income. The directors did not recommend the payment of a dividend during the period (2014: £nil).

#### **Financial instruments**

##### ***Objectives and policies***

The company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, especially credit risk which is explained in more detail below.

##### ***Credit risk***

The company's principal credit risk relates to the recovery of trade debtors. This is managed by requiring clients to pay within commercially negotiated credit terms. Non payment within these terms can put clients' insurance cover at risk.

#### **Going concern**

Having taken into account the risks and uncertainties and the performance of the business as disclosed in this report and making sufficient enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis for preparing the annual report and accounts.

**Genavco Insurance Limited**

**Directors' Report for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

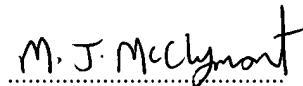
**Disclosure of information to the auditor**

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

**Reappointment of auditors**

Ernst & Young LLP offer themselves for reappointment as auditors in accordance with Section 485 of the Companies Act 2006.

Approved by the Board on 29 May 2015 and signed on its behalf by:



Mr M J McClymont  
Director

**Genavco Insurance Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

## **Independent Auditor's Report to the Members of Genavco Insurance Limited**

We have audited the financial statements of Genavco Insurance Limited for the period from 2 February 2014 to 31 January 2015, which comprises the Profit and Loss Account, the Statement of Recognised Gains and Losses, the balance sheet, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 Annual Report and Financial Statements 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 the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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.

**Independent Auditor's Report to the Members of  
Genavco Insurance Limited**

*..... continued*

**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.

*Ernst & Young LLP*

.....  
Ed Jervis (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor

London

29 May 2015

## Genavco Insurance Limited

### Profit and Loss Account for the Period from 2 February 2014 to 31 January 2015

	Note	2 February 2014 to 31 January 2015 £	3 February 2013 to 1 February 2014 £
Turnover		1,555,371	1,426,415
Administrative expenses		<u>(1,541,478)</u>	<u>(1,422,814)</u>
Operating profit	2	13,893	3,601
Other interest receivable and similar income	6	<u>39,886</u>	<u>5,213</u>
Profit on ordinary activities before taxation		53,779	8,814
Tax on profit on ordinary activities	7	<u>(10,404)</u>	<u>(9,786)</u>
Profit/(loss) for the financial period	13	<u><u>43,375</u></u>	<u><u>(972)</u></u>

Turnover and operating profit derive wholly from continuing operations.



**Genavco Insurance Limited**

**Statement of Total Recognised Gains and Losses for the Period from 2 February 2014 to  
31 January 2015**

	Note	2 February 2014 to 31 January 2015 £	3 February 2013 to 1 February 2014 £
Profit/(loss) for the financial period	13	43,375	(972)
Actuarial loss recognised on defined benefit pension scheme	13	(274,727)	(154,659)
Tax credit on pension scheme	7, 13	<u>54,945</u>	<u>35,819</u>
Total recognised gains and losses relating to the period		<u>(176,407)</u>	<u>(119,812)</u>

The notes on pages 9 to 25 form an integral part of these financial statements.

**Genavco Insurance Limited**  
**(Registration number: 00879931)**  
**Balance Sheet at 31 January 2015**

	Note	31 January 2015 £	1 February 2014 £
<b>Fixed assets</b>			
Tangible fixed assets	8	13,102	3,373
<b>Current assets</b>			
Debtors	9	2,650,022	1,988,306
Cash at bank and in hand	10	1,128,793	1,418,248
		3,778,815	3,406,554
Creditors: Amounts falling due within one year	11	(3,117,946)	(2,640,868)
Net current assets		660,869	765,686
Net assets excluding pension liability		673,971	769,059
Net pension liability		(81,319)	-
Net assets		592,652	769,059
<b>Capital and reserves</b>			
Called up share capital	12	500,000	500,000
Profit and loss account	13	92,652	269,059
Shareholders' funds	14	592,652	769,059

Approved and authorised for issue by the Board on 29 May 2015 and signed on its behalf by:

*D Meur*

.....  
Mr D Meur  
Director

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

#### 1 Accounting policies

##### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

In accordance with Financial Reporting Standard 1 Revised "Cash Flow Statements" the Company is exempt from preparing a cash flow statement as it is a wholly owned subsidiary within the Harrods Group (Holding) Limited group, which has prepared a group cash flow statement and whose financial statements are publicly available.

The principle accounting policies of the company have remained unchanged from the previous period and are set out below.

##### Turnover

Turnover represents the amount of broking commission earned by the company net of commission rebates, introductory commission and foreign exchange differences. Commission is recognised at the later of inception date and when a debit note is issued to the insured, with appropriate adjustments made where performance of services relating to insurance policies are not yet complete.

##### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life.

##### Asset class

Fixtures and fittings

##### Depreciation method and rate

On a straight line basis at 20% or 25% per annum.

##### Deferred tax

Deferred tax is recognised on all timing differences where the transactions or events that give the group 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 of tax that have been enacted or substantively enacted by the balance sheet date.

Deferred tax relating to defined benefit pension schemes surpluses or deficits is netted against the respective retirement benefit surplus or obligation.

##### Current Tax

Current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the Balance Sheet date.

##### Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

..... *continued*

#### **Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the earlier of the period to the contract break clause or lease term.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### **Pensions**

##### **Defined Contribution Scheme**

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

##### **Defined Benefit Scheme**

The company is a member 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 and the Harrods Holdings Group, in accordance with calculations made periodically by consulting actuaries.

The company has adopted the provisions of Financial Reporting Standard (FRS) 17 'Retirement Benefits'. Scheme assets are measured at fair value. 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 is the current service cost of providing the benefits, curtailment and settlement gains and losses and financial return on the pension fund, all reflected in the period to which they relate. The current service cost and costs from settlement and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return scheme assets are included in other finance costs. Actuarial gains and losses are recorded through the statement of recognised gains and losses. Disclosure has been made of the assets and liabilities of the scheme under FRS17 in Note 15 to the accounts.

**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

**2 Operating profit**

Operating profit is stated after charging:

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
Operating leases - other assets	53,333	53,333
Depreciation of owned assets	3,312	1,656
Auditor's remuneration	<u>33,030</u>	<u>32,588</u>

**3 Auditor's remuneration**

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
Audit of the financial statements	25,319	24,299
Audit related assurance services	<u>7,711</u>	<u>8,289</u>
	<u>33,030</u>	<u>32,588</u>

**4 Particulars of employees**

The average number of persons employed by the company (including directors) during the period, was as follows:

	<b>2 February 2014 to 31 January 2015 No.</b>	<b>3 February 2013 to 1 February 2014 No.</b>
Administration and support	<u>20</u>	<u>18</u>

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

..... *continued*

The aggregate payroll costs were as follows:

	2 February 2014 to 31 January 2015 £	3 February 2013 to 1 February 2014 £
Wages and salaries	1,013,113	905,373
Social security costs	101,518	88,082
Staff pensions	46,922	51,880
	<u>1,161,553</u>	<u>1,045,335</u>

#### 5 Directors' remuneration

The directors' remuneration for the period was as follows:

	2 February 2014 to 31 January 2015 £	3 February 2013 to 1 February 2014 £
Remuneration	223,028	219,644
Company contributions paid to money purchase schemes	8,182	19,711
	<u>231,210</u>	<u>239,355</u>

**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January  
2015**

..... *continued*

In respect of the highest paid director:

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
Remuneration	146,437	138,471
Company contributions to money purchase pension schemes	2,327	13,965
	<u>148,764</u>	<u>152,436</u>

**6 Other interest receivable and similar income**

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
Bank interest receivable	5,808	4,173
Other interest receivable	1,025	1,040
Pension scheme other finance income	33,053	-
	<u>39,886</u>	<u>5,213</u>

**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

**7 Taxation**

**Tax on profit on ordinary activities**

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
<b>Current tax</b>		
Group relief receivable	<u>(28,877)</u>	<u>(46,294)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,666	12,449
Effect of changes in tax rates	<u>-</u>	<u>7,812</u>
Total deferred tax	4,666	20,261
<b>Tax included in the statement of total recognised gains and losses</b>		
Current tax relief on pension scheme	<u>34,615</u>	<u>35,819</u>
Total tax on profit on ordinary activities	<u><u>10,404</u></u>	<u><u>9,786</u></u>

**Factors affecting current tax charge for the period**

Tax on profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 21.32% (2014 - 23.16%).

The differences are reconciled below:

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
Profit on ordinary activities before taxation	<u>53,779</u>	<u>8,814</u>
Corporation tax at standard rate	11,466	2,041
Capital allowances in excess of depreciation	(1,350)	(1,677)
Other timing differences	(3,625)	(12,739)
Employers defined benefit pension contributions	(29,857)	(35,822)
Pension scheme adjustments	(7,047)	-
Expenses not deductible for tax purposes	<u>1,536</u>	<u>1,903</u>
Total current tax	<u><u>(28,877)</u></u>	<u><u>(46,294)</u></u>



**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

**8 Tangible fixed assets**

	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 2 February 2014	173,133	173,133
Additions	13,041	13,041
Disposals	(8,930)	(8,930)
At 31 January 2015	177,244	177,244
<b>Depreciation</b>		
At 2 February 2014	169,760	169,760
Charge for the period	3,312	3,312
Eliminated on disposals	(8,930)	(8,930)
At 31 January 2015	164,142	164,142
<b>Net book value</b>		
At 31 January 2015	13,102	13,102
At 1 February 2014	3,373	3,373

**9 Debtors**

	<b>31 January 2015 £</b>	<b>1 February 2014 £</b>
Trade debtors	2,517,048	1,827,739
Amounts owed by group undertakings	28,877	46,293
Other debtors	750	-
Deferred tax	34,967	39,633
Prepayments and accrued income	68,380	74,641
	2,650,022	1,988,306

**Deferred tax**

The movement in the deferred tax asset in the period is as follows:

	<b>£</b>
At 2 February 2014	39,633
Deferred tax charged to the profit and loss account in respect of the current period	(4,666)
At 31 January 2015	34,967

**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January  
2015**

..... *continued*

**The deferred tax asset/(liability) comprises:**

	<b>31 January 2015 £</b>	<b>1 February 2014 £</b>
Decelerated capital allowances	6,167	7,433
Other timing differences	28,800	32,200
	<u>34,967</u>	<u>39,633</u>

The UK corporation tax rate at 31 December 2013 was 23% (effective from 1 April 2013). Until 1 April 2013 the UK corporation tax rate of 24% applied. On 17 July 2013 reductions to 21% effective from 1 April 2014 and and to 20% effective from 1 April 2015 were enacted. These rates have been reflected in the closing deferred tax position on the balance sheet.

**10 Cash at bank and in hand**

	<b>31 January 2015 £</b>	<b>1 February 2014 £</b>
Fiduciary cash held under a non statutory trust	1,056,109	1,356,777
Company cash	72,684	61,471
	<u>1,128,793</u>	<u>1,418,248</u>

**11 Creditors: Amounts falling due within one year**

	<b>31 January 2015 £</b>	<b>1 February 2014 £</b>
Trade creditors	2,539,047	2,163,819
Amounts owed to group undertakings	465,460	374,940
Other creditors	21,196	30,056
Accruals and deferred income	92,243	72,053
	<u>3,117,946</u>	<u>2,640,868</u>

**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

**12 Share capital**

Allotted, called up and fully paid shares

	<b>31 January 2015</b>	<b>1 February 2014</b>
	£	£
500,000 Ordinary shares of £1 each (2014: 500,000)	500,000	500,000

**13 Reserves**

	<b>Profit and loss account £</b>	<b>Total £</b>
At 2 February 2014	269,059	269,059
Profit for the period	43,375	43,375
Actuarial loss on pension schemes	(274,727)	(274,727)
Tax relating to pension scheme	54,945	54,945
At 31 January 2015	92,652	92,652

**14 Reconciliation of movement in shareholders' funds**

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
Profit/(loss) attributable to the members of the company	43,375	(972)
Other recognised losses relating to the period	(219,782)	(118,840)
Net reduction to shareholders' funds	(176,407)	(119,812)
Shareholders' funds at start of period	769,059	888,871
Shareholders' funds at end of period	592,652	769,059

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

..... *continued*

#### 15 Pension schemes

##### Defined contribution pension scheme

The Group operates the Harrods Retirement Savings Plan, which is an approved defined contribution scheme; it was established in April 2006 and is provided and managed by Fidelity International. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £46,922 (2014 - £51,880).

Contributions totalling £nil (2014 - £nil) were payable to the scheme at the end of the period.

##### Defined benefit pension schemes

###### Harrods Group Pension Scheme

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 2012 on a Scheme Specific Funding basis was carried out by the Scheme Actuary. The deficit on this basis was £77m as at 5 April 2012, a funding level of 85%.

A revised recovery plan was subsequently agreed. In order for the Plan to be fully funded by 31 March 2017, the Trustees and Principal Employer agreed the following on 31 October 2012:

- Annual contributions totaling £15.0m per annum payable in each of 2013, 2014, 2015 and 2016 with a final payment of £4.7m in March 2017.
- Plan expenses (including any insurance premiums and PPF levies) estimated at £1.0m per annum to continue to be met by the Employers.

During the period ended 31 January 2015, the participating employers made total contributions to the plan of £15.9m (2014: £16.0m).

The next full actuarial valuation is scheduled in April 2015.

**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

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

The amounts recognised in the balance sheet are as follows:

	<b>31 January 2015 £</b>	<b>1 February 2014 £</b>
Fair value of scheme assets	4,784,824	4,510,417
Present value of scheme liabilities	<u>(4,886,473)</u>	<u>(4,476,466)</u>
	(101,649)	33,951
Irrecoverable surplus	<u>-</u>	<u>(33,951)</u>
Defined benefit pension scheme deficit	(101,649)	-
Related deferred tax asset	<u>20,330</u>	<u>-</u>
Net liability in the balance sheet	<u><u>(81,319)</u></u>	<u><u>-</u></u>

***Scheme assets***

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

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
Fair value at start of period	4,510,417	4,398,544
Expected return on assets	213,136	195,989
Actuarial gains and losses	461,490	(103,780)
Employer contributions	140,026	154,662
Benefits paid	(125,198)	(134,998)
Transfers	<u>(415,047)</u>	<u>-</u>
Fair value at end of period	<u><u>4,784,824</u></u>	<u><u>4,510,417</u></u>

Pension scheme assets have been reallocated between participating employers in the group based on the latest analysis provided by the actuaries. The allocation adjustment is disclosed under the 'Transfers' line in the changes of fair value of scheme assets section above.

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

..... *continued*

#### *Analysis of assets*

The major categories of scheme assets are as follows:

	31 January 2015 £	1 February 2014 £
Equity instruments	1,559,351	1,478,442
Debt instruments	1,933,370	1,773,509
Cash	433,778	374,318
Other assets	858,325	884,148
	<u>4,784,824</u>	<u>4,510,417</u>

#### *Actual return on scheme's assets*

	2 February 2014 to 31 January 2015 £	3 February 2013 to 1 February 2014 £
Actual return on scheme assets	<u>674,626</u>	<u>92,209</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes.

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

..... *continued*

#### *Scheme liabilities*

Changes in the present value of scheme liabilities are as follows:

	2 February 2014 to 31 January 2015 £	3 February 2013 to 1 February 2014 £
Present value at start of period	4,476,466	4,328,103
Actuarial gains and losses	767,043	87,372
Interest cost	180,083	195,989
Benefits paid	(125,198)	(134,998)
Transfers	(411,921)	-
Present value at end of period	<u>4,886,473</u>	<u>4,476,466</u>
<b>Analysed as:</b>		
Present value arising from wholly or partly funded schemes	<u>4,886,473</u>	<u>4,476,466</u>

Pension scheme liabilities have been reallocated between participation employers in the group based on the latest analysis provided by the actuaries. The allocation adjustment is disclosed under the 'Transfers' line in the changes of fair value of scheme liabilities section above.

**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

***Principal actuarial assumptions***

The principal actuarial assumptions at the balance sheet date are as follows:

	<b>31 January 2015 %</b>	<b>1 February 2014 %</b>
Discount rate	3.15	4.50
Future pension increases	1.90	2.60
Inflation	2.70	3.40
Expected return on scheme assets - equity	5.10	6.60
Expected return on scheme assets - cash	1.40	3.10
Expected return on scheme assets - other	<u>3.20</u>	<u>4.70</u>

***Post retirement (at age 60) mortality assumptions***

	<b>31 January 2015 Years</b>	<b>1 February 2014 Years</b>
Current pensioners at retirement age - male	28.20	28.10
Current pensioners at retirement age - female	30.50	30.40
Future pensioners at retirement age - male	30.70	30.50
Future pensioners at retirement age - female	<u>33.00</u>	<u>32.80</u>

***Amounts recognised in the profit and loss account***

	<b>2 February 2014 to 31 January 2015 £</b>	<b>3 February 2013 to 1 February 2014 £</b>
<b>Amounts recognised in operating profit</b>		
Recognised in arriving at operating profit	<u>-</u>	<u>-</u>
<b>Amounts recognised in other finance (income)/cost</b>		
Interest cost	180,083	195,989
Expected return on scheme assets	<u>(213,136)</u>	<u>(195,989)</u>
Recognised in other finance cost	<u>(33,053)</u>	<u>-</u>
Total recognised in the profit and loss account	<u><u>(33,053)</u></u>	<u><u>-</u></u>



**Genavco Insurance Limited**

**Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015**

..... *continued*

*Amounts recognised in the statement of total recognised gains and losses*

	2 February 2014 to 31 January 2015 £	3 February 2013 to 1 February 2014 £
Actual return less expected return on scheme assets	461,490	(103,780)
Effect of surplus cap	30,826	36,490
Changes in assumptions	(767,043)	(87,372)
Other actuarial gains (losses)	-	3
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	<u>(274,727)</u>	<u>(154,659)</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is (£1,741,862) (2014 - (£1,467,135)).

*History of experience adjustments on scheme assets and liabilities*

Amounts for the current and previous 4 periods are as follows:

	31 January 2015 £	1 February 2014 £	2 February 2013 £	28 January 2012 £	29 January 2011 £
Fair value of scheme assets	4,784,824	4,510,417	4,398,544	4,113,660	4,155,045
Present value of scheme liabilities	<u>(4,886,473)</u>	<u>(4,476,466)</u>	<u>(4,328,103)</u>	<u>(4,088,240)</u>	<u>(3,629,971)</u>
(Deficit)/surplus in scheme	<u>(101,649)</u>	<u>33,951</u>	<u>70,441</u>	<u>25,420</u>	<u>525,074</u>

Experience adjustments:

	31 January 2015 £	1 February 2014 £	2 February 2013 £	28 January 2012 £	29 January 2011 £
Experience adjustments arising on scheme assets	<u>461,490</u>	<u>(103,780)</u>	<u>83,146</u>	<u>33,262</u>	<u>87,314</u>

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

..... *continued*

#### 16 Contingent liabilities

The Harrods Group (Holding) Limited Group cash netting facility is guaranteed by Genavco Insurance Limited and other group companies. The guarantee extends to Genavco Insurance Limited's non-client bank account only.

There were no other contingent liabilities at 31 January 2015 or 1 February 2014.

#### 17 Commitments

##### Operating lease commitments

As at 31 January 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	31 January 2015 £	1 February 2014 £
<b>Land and buildings</b>		
Within one year	50,833	60,000
Within two and five years	64,167	5,000
	<u>115,000</u>	<u>65,000</u>

The lease had a tenants option break date of 27 February 2015, to invoke the break the landlord had to be given at least six months previous written notice. Last year the commitments were included only up to the break date. In the current year the commitments have been included up until the end of the lease on 27 February 2017, as the deadline for taking up the break has now passed.

#### 18 Related party transactions

The company is a wholly owned subsidiary of Harrods Group (Holding) Limited and, as permitted by Financial Reporting Standard 8 "Related Party Disclosures" transactions with other members of the Harrods Group (Holding) Limited Group are not disclosed.

## Genavco Insurance Limited

### Notes to the Financial Statements for the Period from 2 February 2014 to 31 January 2015

..... *continued*

#### 19 Control

The company is controlled by Qatar Investment Authority. The company's immediate parent undertaking is Genavco Holdings Limited, a company registered in England and Wales. The ultimate UK parent undertaking of Genavco Holdings 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. 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.