

**HARRODS ESTATES LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

29 JANUARY 2005



**HARRODS ESTATES LIMITED**

**FINANCIAL STATEMENTS**

For the period ended 29 JANUARY 2005

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# HARRODS ESTATES LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with the audited financial statements for the period ended 29 January 2005.

### **Principal activity**

The principal activities of the company are that of estate agents and property managers.

### **Business review**

The directors consider the trading performance of the company to be satisfactory.

There was a profit for the period after taxation amounting to £15,969 (2004: Loss £93,654). The directors do not recommend the payment of a dividend (2004: £nil).

### **Directors**

The present membership of the Board is set out below.

M A E Collins  
J Byrne  
A Tanna

Other Directors who served during the period were:

R Simonin (resigned 9 February 2005)

No director in office at 29 January 2005 held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at 1 February 2004, at time of appointment or at 31 January 2005.

No director has had a material interest, directly or indirectly, at any time during the period in any contract significant to the business.

### **Disabled persons**

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 to employees by means of normal management communication channels using written materials, face to face meetings and video presentations. The Store magazine "The Harroddian Gazette" has been issued during the period and has been available to all employees.

Consultation with employees takes place through elected staff committees, health and safety committees and through normal recognised trade union channels. The Harrods Group Pension Plan has two member trustees amongst its trustee board. It also has a committee of staff and management representatives who are kept informed of the administration, performance and development of the Plan. Written information about the Plan is regularly circulated to both current and potential members.

A general awareness of the company's performance is maintained through regular half-hour training sessions for all staff and, through individual performance appraisals, employees are made aware of their individual contribution to the company.

# HARRODS ESTATES LIMITED

## REPORT OF THE DIRECTORS

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### Elective resolutions

On 23 January 2002, the company passed Elective Resolutions dispensing with the holding of Annual General Meetings; the laying of accounts in general meetings and the annual appointment of auditors, in accordance with section 366A, 252 and 386 (all as amended) of the Companies Act 1985, respectively.

### Directors' responsibilities for the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

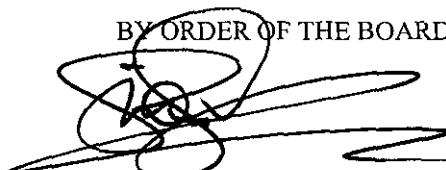
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP, having offered themselves for reappointment as auditors shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD



S Dean  
Secretary  
28 April 2005

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HARRODS ESTATES LIMITED**

We have audited the financial statements of Harrods Estates Limited for the period ended 29 January 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors**

*The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.*

*Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.*

*We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.*

*We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.*

**Basis of opinion**

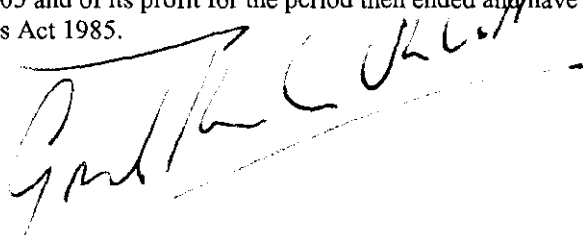
*We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.*

*We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.*

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HARRODS ESTATES LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 January 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Grant Thornton UK LLP', is written over a horizontal line.

**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON  
28 April 2005**

# HARRODS ESTATES LIMITED

## PRINCIPAL ACCOUNTING POLICIES

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### **BASIS OF PREPARATION**

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

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

The accounts have been prepared on a going concern basis as the company's immediate parent and principal creditor, Harrods Limited, has confirmed its willingness to support the company for a period of at least 12 months from the date of signature of the accounts.

### **TURNOVER**

*Agency fees on property sales are recognised on exchange of contract.*

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

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 useful lives. The rates generally applicable are:

Fixtures, fittings and equipment	3 to 7 years
Shop-fits	10 years

### **LEASED ASSETS**

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

### **DEFERRED 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 of tax that have been enacted or substantively enacted by the balance sheet date.

### **RETIREMENT BENEFITS SCHEMES**

#### *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.

## HARRODS ESTATES LIMITED

### PRINCIPAL ACCOUNTING POLICIES

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#### RETIREMENT BENEFIT SCHEMES (CONTINUED)

##### *Defined Benefit Scheme*

The company's employees are members of the Harrods Holdings Group Pension Plan under which retirement benefits are funded by contributions from the company and employees. 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 amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the period, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members.

The company has taken advantage of the transitional provisions of FRS 17 'Retirement Benefits'. Accordingly the pensions charge has been calculated under the existing policy which is in accordance with SSAP 24 'Pension Costs' and disclosure has been made of the assets and liabilities of the scheme under FRS 17 'Retirement Benefits'.



# HARRODS ESTATES LIMITED

## PROFIT AND LOSS ACCOUNT

For the period ended 29 JANUARY 2005

	Note	52 weeks ended 29 January 2005 £	52 weeks ended 31 January 2004 £
<b>Turnover</b>	1	2,328,126	1,669,633
Cost of sales		<u>(1,489,054)</u>	<u>(1,031,999)</u>
<b>Gross profit</b>		839,072	637,634
Administrative expenses		<u>(747,524)</u>	<u>(691,835)</u>
<b>Operating profit/(loss)</b>		91,548	(54,201)
Net interest	2	<u>(67,119)</u>	<u>(65,289)</u>
<b>Profit / (Loss) on ordinary activities before taxation</b>		24,429	(119,490)
Tax on profit/(loss) on ordinary activities	4	(8,460)	25,836
<b>Profit / (Loss) retained and transferred to/(from) reserves</b>	11	<u>15,969</u>	<u>(93,654)</u>

All transactions arise from continuing operations.

There were no recognised gains or losses other than the profit for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.

# HARRODS ESTATES LIMITED

## BALANCE SHEET AT 29 JANUARY 2005

	Note	At 29 January 2005 £	At 31 January 2004 £
<b>Fixed assets</b>			
Tangible assets	5	135,791	162,933
<b>Current assets</b>			
Debtors	6	960,858	1,059,573
Cash at bank and in hand		14,207	58,257
		<u>975,065</u>	<u>1,117,830</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(431,845)</u>	<u>(258,236)</u>
<b>Net current assets</b>		<u>543,220</u>	<u>859,594</u>
<b>Total assets less current liabilities</b>		<u>679,011</u>	<u>1,022,527</u>
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(759,790)</u>	<u>(1,119,275)</u>
		<u>(80,779)</u>	<u>(96,748)</u>
<b>Capital and reserves</b>			
Called up share capital	10	338,913	338,913
Profit and loss account	11	<u>(419,692)</u>	<u>(435,661)</u>
<b>Equity shareholders' deficit</b>	12	<u>(80,779)</u>	<u>(96,748)</u>

The financial statements were approved by the Board of Directors on 28 April 2005.



A Tanna - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# HARRODS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

### 1 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	52 weeks ended 29 January 2005 £	52 weeks ended 31 January 2004 £
Turnover excluding VAT arises from operations in the United Kingdom	<u>2,328,126</u>	<u>1,669,633</u>

The profit/(loss) on ordinary activities before taxation is stated after:

	52 weeks ended 29 January 2005 £	52 weeks ended 31 January 2004 £
Auditors' remuneration:		
Audit services	9,000	6,000
Non-Audit services	6,600	7,361
Depreciation:		
Tangible fixed assets owned	27,142	27,056
Operating lease rentals	<u>185,258</u>	<u>183,506</u>

### 2 NET INTEREST

	52 weeks ended 29 January 2005 £	52 weeks ended 31 January 2004 £
Interest receivable from group undertakings	8,848	17,559
Interest receivable from third parties	-	35,442
Interest payable to group undertakings	(75,786)	(118,285)
Interest payable to third parties	<u>(181)</u>	<u>(5)</u>
	<u>(67,119)</u>	<u>(65,289)</u>

# HARRODS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

	52 weeks ended 29 January 2005 £	52 weeks ended 31 January 2004 £
Wages and salaries	1,250,630	810,004
Social security costs	111,117	81,766
Other pension costs	71,960	69,046
	<u>1,433,707</u>	<u>960,816</u>

The average number of employees of the company during the period was: 19 (2004: 19).

There are 4 directors to whom retirement benefits are accruing under a defined benefit pension scheme (2004: 4).

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

	52 weeks ended 29 January 2005 £	52 weeks ended 31 January 2004 £
Emoluments excluding pension contributions	<u>250,365</u>	<u>122,706</u>

The highest paid director's accrued pension at the period end was £14,579 (2004: £12,576).

### 4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge/(credit) is based on the profit/(loss) for the period and represents:

	52 weeks ended 29 January 2005 £	52 weeks ended 31 January 2004 £
Group relief	8,356	(31,623)
Deferred tax	104	5,787
	<u>8,460</u>	<u>(25,836)</u>
Profit / (Loss) on ordinary activities before tax	24,429	(119,490)
Profit / (Loss) on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2004: 30%)	7,329	(35,847)
Effect of:		
Expenses not deductible for tax purposes	1,131	4,640
Capital allowances for the period in excess of depreciation	(117)	(3,047)
Income and expenses assessed/relieved on a cash basis	13	2,631
Current tax charge/(credit) for period	<u>8,356</u>	<u>(31,623)</u>

# HARRODS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

### 5 TANGIBLE FIXED ASSETS

	<b>Total £</b>
<b>Cost</b>	
At 1 February 2004 and at 29 January 2005	305,565
<b>Depreciation</b>	
At 1 February 2004	142,632
Provided in the period	27,142
At 29 January 2005	<u>169,774</u>
<b>Net book amount at 29 January 2005</b>	<u><b>135,791</b></u>
Net book amount at 31 January 2004	<u>162,933</u>

### 6 DEBTORS

	<b>At 29 January 2005 £</b>	<b>At 31 January 2004 £</b>
<b>Amounts due within one year:</b>		
Trade debtors	466,279	912,141
Prepayments and accrued income	362,877	97,844
Other debtors	129,468	15,627
Group relief	-	31,623
	<u>958,624</u>	<u>1,057,235</u>
<b>Amounts due after more than one year:</b>		
Deferred tax (see note 9)	2,234	2,338
	<u>960,858</u>	<u>1,059,573</u>

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>At 29 January 2005 £</b>	<b>At 31 January 2004 £</b>
Trade creditors	-	-
Social security and other taxes	37,755	63,950
Other creditors	9,159	14,269
Accruals and deferred income	334,534	138,019
Pension accrual	42,041	41,998
Group Relief	8,356	-
	<u>431,845</u>	<u>258,236</u>

# HARRODS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

### 8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	At 29 January 2005 £	At 31 January 2004 £
Amounts owed to group undertakings	<u>759,790</u>	<u>1,119,275</u>

### 9 DEFERRED TAXATION

Deferred taxation assets in the financial statements are set out below. There were no unprovided amounts of deferred taxation at 29 January 2005 or 31 January 2004.

	Amount provided 2005 £	2004 £
At 1 February 2004	2,338	8,125
Charged in the period	<u>(104)</u>	<u>(5,787)</u>
At 29 January 2005	<u>2,234</u>	<u>2,338</u>

Deferred taxation provided in the financial statements is set out below:

Depreciation in advance of capital allowances	(10,378)	(10,261)
Other timing differences	<u>12,612</u>	<u>12,599</u>
	<u>2,234</u>	<u>2,338</u>

### 10 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised 350,000 ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>
Issued and fully paid 338,913 ordinary shares of £1 each	<u>338,913</u>	<u>338,913</u>

### 11 RESERVES

	Profit and loss account £
At 1 February 2004	(435,661)
Profit for the period	<u>15,969</u>
At 29 January 2005	<u>(419,692)</u>

# HARRODS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

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### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2005	2004
	£	£
Profit / (Loss) for the financial period	15,969	(93,654)
Shareholders' deficit at 1 February 2004	<u>(96,748)</u>	<u>(3,094)</u>
Shareholders' deficit at 29 January 2005	<u>(80,779)</u>	<u>(96,748)</u>

### 13 LEASING COMMITMENTS

Operating lease payments amounting to £180,000 (2004: £180,000) are due within one year. The leases to which these amounts relate expire as follows:

	2005	2004
	£	£
Land and Buildings:		
Leases expiring over five years:	<u>180,000</u>	<u>180,000</u>

### 14 CAPITAL COMMITMENTS

The company had no capital commitments at 29 January 2005 or 31 January 2004.

### 15 CONTINGENT ASSETS/LIABILITIES

The Harrods Holdings Group's loan facility is guaranteed by Harrods Estates Limited and other Group companies.

There were no other contingent assets or liabilities at 29 January 2005 or 31 January 2004.

### 16 RETIREMENT BENEFIT SCHEMES

#### Pension schemes operated

Within the UK the company principally operates two schemes:

- (i) The Harrods Holdings Stakeholder Scheme (the Scheme), which is an approved defined contribution scheme; it was established with Scottish Equitable plc on 1 May 2002.
- (ii) The Harrods Holdings Group Pension Plan (the Plan), which is an approved defined benefit scheme.

Membership of the Plan is no longer available to new employees on the staff scale, who join the Group on or after 1 May 2002, during the first five years of employment. Those employees are eligible to join the Scheme and can then elect to transfer to the Plan after five years continuous service. Those employees commencing on the management scale are eligible to apply for either the Scheme or the Plan.

The Harrods Holdings Group pays such contributions to the Scheme and the Plan as required in order to fund benefits for the members and pensioners. The assets of the Scheme and Plan are held in trust separately from the Harrods Holdings Group.

# HARRODS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

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### RETIREMENT BENEFIT SCHEMES (CONTINUED)

#### Regular pension costs under SSAP 24

##### Defined Contribution Scheme

The Pension cost under the defined contribution scheme amounted to £nil (2004: £nil). A pension accrual of £nil (2004: £nil) is included in the balance sheet in relation to this scheme.

##### Defined Benefit Scheme

The company's net pension charge for the Harrods Holdings Group Pension Plan for the period to 29 January 2005 was £71,960 (2004: £69,046) comprising a regular cost of £70,926 (2004: £60,276) plus a variation of £1,034 (2004: £8,770). The variation arises in respect of the actuarial deficit, which is being spread over the average remaining working lives of employees who are members of the Plan. The pension charge for the period is greater than the actual contributions paid resulting in the following accruals in the balance sheet:

	2005	2004
	£	£
The pension accrual is as follows:		
Balance at 1 February 2004	(41,998)	(33,228)
Contributions paid	71,917	60,276
Charge to profit and loss account	(71,960)	(69,046)
Balance at 29 January 2005	<u>(42,041)</u>	<u>(41,998)</u>

Pension costs are assessed in accordance with the advice of qualified independent actuaries, Hymans Robertson, based on the results of the actuarial valuation undertaken by Hewitt Bacon & Woodrow Limited as at 6 April 2002. The actuarial valuation assessed the Plan using the projected unit method and a market based valuation approach to ascertain its cost to the Group, having adopted the following financial assumptions:

Inflation Assumption	2.8%
Rate of increase in salaries	4.3%
Rate of pension increases	2.7%

Following the valuation, the group agreed to increase contributions to the Plan from 10.0% of salaries to 13.9% of salaries with effect from 6 April 2003. From 6 April 2003, member contributions increased from 3.5% to 5.0% of salaries for Staff Scale members and from 5.0% to 7.0% of salaries for Management Scale members.

At the date of the last actuarial valuation, the market value of the assets of the Plan was £177.7 million and the actuarial value of assets covered 98% of the benefits that had accrued to members, after allowing for expected increases in future earnings. The next scheduled actuarial valuation of the Harrods Holdings Group Pension Plan will be as at 6 April 2005.



# HARRODS ESTATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

### RETIREMENT BENEFIT SCHEMES (CONTINUED)

#### Financial Reporting Standard 17 Disclosures

The financial statements have, as last period, been prepared in accordance with SSAP 24. This note includes the additional disclosures required in respect of defined benefit schemes under the transitional arrangements established by FRS 17. The information required in connection with FRS 17 and the defined benefit scheme is detailed below.

An approximate actuarial assessment of the Plan was also carried out as at 29 January 2005 by qualified independent actuaries, Hymans Robertson. The major assumptions used by the actuary were:

	% per annum		
	29 January 2005	31 January 2004	1 February 2003
Discount rate	5.3%	5.5%	5.4%
Inflation assumption	2.9%	2.8%	2.3%
Rate of increase in salaries	4.4%	4.3%	3.8%
Rate of pension increases	2.8%	2.7%	2.4%

At 29 January 2005 the market value of the Plan, the expected long-term rate of return from them and the present value of Plan liabilities, all as defined in accordance with FRS 17 and valued by the Harrods Holdings Group's actuary were as follows:

	As at 29 January 2005		As at 31 January 2004		As at 1 February 2003	
	Harrods Group Pension Plan £m	Expected long-term rate of return % per annum	Harrods Group Pension Plan	Expected long-term rate of return % per annum	Harrods Group Pension Plan £m	Expected long-term rate of return % per annum
Equities	142.0	7.6%	127.5	7.9%	101.0	7.4%
Corporate Bonds	30.1	5.3%	28.0	5.5%	24.6	5.4%
Government Bonds	14.3	4.6%	13.2	4.9%	11.4	4.4%
Other	2.9	4.6%	2.3	4.9%	2.4	4.4%
Total market value of assets	189.3		171.0		139.4	
Present value of plan liabilities	(287.6)		(255.8)		(225.9)	
Deficit in the Plan	(98.3)		(84.8)		(86.5)	
Related deferred tax asset	29.5		25.4		26.0	
Net pension liability under FRS 17	(68.8)		(59.4)		(60.5)	

The effect on the Harrods Holdings Group's net assets at 29 January 2005 had the group adopted FRS 17 early, is shown in the accounts of Harrods Holdings Limited.

#### Further FRS 17 Disclosure

All other disclosures as required under FRS 17 are shown in the accounts of Harrods Holdings Limited.

## HARRODS ESTATES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2005

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#### 17 TRANSACTIONS WITH DIRECTORS /AND OTHER RELATED PARTIES

The company has entered into agreements, in the ordinary course of business, with the following companies which are under the control of the Group's ultimate controlling party: Hyde Park Residence Limited, Turnbull & Asser Limited, Fulham Football Club (1987) Limited, Balnagown Castle Properties Limited, Samodal Properties Limited and Prestige Properties S.A.

Except as noted below, the value of these transactions is not considered to be material.

Fees in respect of marketing and advisory services received from Prestige Properties S.A. during the period amounted to £522,496 (2004: £1,137,728). The trade debtor outstanding at 29 January 2005 from Prestige Properties S.A. was £167,750 (2004 creditor: £4,211).

Fees in respect of marketing and advisory services paid to Hyde Park Residence Limited during the period amounted to £10,541 (2004: £108,684). There were no trade debtors due from Hyde Park Residence Limited at 29 January 2005 (2004: £nil).

Fees in respect of marketing and advisory services received from Fulham Football Club (1987) Limited during the period amounted to £ 10,676 (2004: £4,739). There were no trade debtors due from Fulham Football Club (1987) Limited at 29 January 2005 (2004: £nil).

Fees in respect of marketing and advisory services received from Turnbull & Asser Limited during the period amounted to £14,100 (2004: £19,975). There were no trade debtors due from Turnbull & Asser Limited at 29 January 2005 (2004: £nil).

The company is a wholly owned subsidiary of Harrods Holdings Limited and has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.

#### 18 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Harrods Limited, a company registered in England and Wales. The ultimate UK parent undertaking of Harrods Limited is Harrods Holdings Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by Harrods Holdings Limited and the smallest such group of undertakings, including the company, that is headed by Harrods Limited. The group accounts will be filed with the Registrar of the Companies in due course.

The ultimate parent undertaking is Alfayed Investment and Trust PVT LP, a partnership based in Bermuda. All interests in the partnership continue to be under the control and held for the benefit of the Fayed family, the ultimate controlling party.