

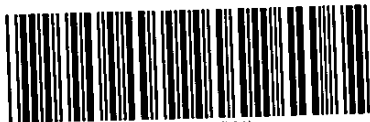
Registration number 00879931

Genavco Insurance Limited

Directors' Report and Financial Statements

for the Period from 29 January 2012 to 2 February 2013

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Genavco Insurance Limited
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Genavco Insurance Limited

Directors' Report for the Period from 29 January 2012 to 2 February 2013

The directors present their report and the financial statements for the period from 29 January 2012 to 2 February 2013

Directors of the company

The directors who held office during the period were as follows

Mr P K Winstone - Chairman

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 loss for the period before taxation of £42,265 (2012 £75,003 profit) The decline in profit before tax over last year was largely due to a reduction in commission income Contributory factors in this fall were client losses and downward market pressure on premium rates Also, new business wins proved difficult in the prevailing economic environment The directors did not recommend the payment of a dividend during the period (2012 £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 29 January 2012 to 2 February 2013

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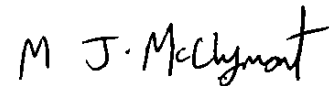
Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Appointment 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 16 July 2013 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 29 January 2012 to 2 February 2013, which comprises the Profit and Loss Account, the Statement of Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2 February 2013 and of its loss 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



Kevin Senior (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

London

18 July 2013

Genavco Insurance Limited

Profit and Loss Account for the Period from 29 January 2012 to 2 February 2013

	Note	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Turnover		1,384,629	1,479,480
Administrative expenses		<u>(1,435,255)</u>	<u>(1,412,272)</u>
Operating (loss)/profit	2	(50,626)	67,208
Other interest receivable and similar income	6	<u>8,361</u>	<u>7,795</u>
(Loss)/profit on ordinary activities before taxation		(42,265)	75,003
Tax on (loss)/profit on ordinary activities	7	<u>3,279</u>	<u>(22,231)</u>
(Loss)/profit for the financial period	14	<u><u>(38,986)</u></u>	<u><u>52,772</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 29 January 2012 to
2 February 2013**

	Note	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
(Loss)/profit for the financial period	14	(38,986)	52,772
Actuarial loss recognised on defined benefit pension scheme	14	(145,119)	(166,953)
Current tax credit on pension scheme contributions	14	<u>35,308</u>	<u>43,947</u>
Total recognised gains and losses relating to the period		<u>(148,797)</u>	<u>(70,234)</u>

Genavco Insurance Limited
(Registration number: 00879931)
Balance Sheet at 2 February 2013

	Note	2 February 2013 £	28 January 2012 £
Fixed assets			
Intangible fixed assets	8	-	12,177
Tangible fixed assets	9	2,998	7,023
		<u>2,998</u>	<u>19,200</u>
Current assets			
Debtors	10	2,217,449	2,077,205
Cash at bank and in hand	11	1,493,374	1,693,681
		<u>3,710,823</u>	<u>3,770,886</u>
Creditors Amounts falling due within one year	12	<u>(2,824,950)</u>	<u>(2,752,418)</u>
Net current assets		<u>885,873</u>	<u>1,018,468</u>
Net assets		<u>888,871</u>	<u>1,037,668</u>
Capital and reserves			
Called up share capital	13	500,000	500,000
Profit and loss account	14	388,871	537,668
Shareholders' funds	15	<u>888,871</u>	<u>1,037,668</u>

Approved by the Board on 16 July 2013 and signed on its behalf by

D Meur

Mr D Meur
Director

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

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 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

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over 3 years. Provision is made for any impairment where applicable

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life

Asset class	Amortisation method and rate
Goodwill	On a straight line basis at 33% per annum

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	Depreciation method and rate
Fixtures and fittings	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

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... continued

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.

Client Money

Insurance premiums received from clients but not yet paid over to underwriters are held in a fiduciary capacity. The obligation to remit these funds is recorded as part of trade creditors in the balance sheet. The time frame the company holds these funds is subject to contractual obligations such as terms of business agreements with insurance companies and insurance intermediaries.

Client money is held in non-statutory trust client bank accounts. The client money balance as at 2 February 2013 was £1,277,975 (2012 £1,279,241).

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.

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

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 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 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 16 to the accounts.

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Operating leases - other assets	53,889	60,000
Depreciation of owned assets	4,025	28,454
Amortisation	12,177	16,235
Professional fees	24,950	23,988

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

3 Auditor's remuneration

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Audit of the financial statements	24,300	17,927
Audit related assurance services	6,831	6,061
	<u>31,131</u>	<u>23,988</u>

4 Particulars of employees

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

	29 January 2012 to 2 February 2013 No.	30 January 2011 to 28 January 2012 No
Administration and support	<u>18</u>	<u>18</u>

The aggregate payroll costs were as follows

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Wages and salaries	904,495	832,484
Social security costs	87,724	87,385
Staff pensions	50,850	50,281
	<u>1,043,069</u>	<u>970,150</u>

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

5 Directors' remuneration

The directors' remuneration for the period was as follows

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Remuneration	226,677	210,862
Company contributions paid to money purchase schemes	19,550	19,039
	<u>246,227</u>	<u>229,901</u>

In respect of the highest paid director

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Remuneration	147,565	135,023
Company contributions to money purchase pension schemes	13,906	13,506
	<u>161,471</u>	<u>148,529</u>

6 Other interest receivable and similar income

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Bank interest receivable	5,575	4,485
Other interest receivable	2,786	3,310
	<u>8,361</u>	<u>7,795</u>

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

7 Taxation

Tax on (loss)/profit on ordinary activities

	29 January 2012 to 2 February 2013 £	(As restated) 30 January 2011 to 28 January 2012 £
Current tax		
Adjustments in respect of previous years	-	(4,546)
Group relief receivable	(35,699)	(10,978)
Total current tax	(35,699)	(15,524)
Deferred tax		
Origination and reversal of timing differences	(7,879)	(10,777)
Effect of changes in tax rates	4,991	4,585
Total deferred tax	(2,888)	(6,192)
Tax included in the statement of total recognised gains and losses		
Current tax relief on pension scheme	35,308	43,947
Total tax on (loss)/profit on ordinary activities	(3,279)	22,231

Factors affecting current tax charge for the period

Tax on (loss)/profit on ordinary activities for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24 33% (2012 - 26 32%)

The differences are reconciled below

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
(Loss)/profit on ordinary activities before taxation	<u>(42,265)</u>	<u>75,003</u>
Corporation tax at standard rate	(10,282)	19,743
Capital allowances in excess of depreciation	(1,609)	3,670
Employers defined benefit pension contributions	(35,304)	(43,947)
Expenses not deductible for tax purposes - permanent	2,008	2,449
Expenses not deductible for tax purposes - timing	11,677	7,107
Adjustments in respect of prior years	-	(4,546)
Expenses relieved on a cash basis	<u>(2,189)</u>	<u>-</u>
Total current tax	<u>(35,699)</u>	<u>(15,524)</u>

8 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 29 January 2012	<u>48,706</u>	<u>48,706</u>
At 2 February 2013	<u>48,706</u>	<u>48,706</u>
Amortisation		
At 29 January 2012	36,529	36,529
Charge for the period	<u>12,177</u>	<u>12,177</u>
At 2 February 2013	<u>48,706</u>	<u>48,706</u>
Net book value		
At 2 February 2013	<u>-</u>	<u>-</u>
At 28 January 2012	<u>12,177</u>	<u>12,177</u>

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

9 Tangible fixed assets

	Fixtures and fittings £	Total £
Cost or valuation		
At 29 January 2012	<u>182,423</u>	<u>182,423</u>
Depreciation		
At 29 January 2012	175,400	175,400
Charge for the period	<u>4,025</u>	<u>4,025</u>
At 2 February 2013	<u>179,425</u>	<u>179,425</u>
Net book value		
At 2 February 2013	<u>2,998</u>	<u>2,998</u>
At 28 January 2012	<u>7,023</u>	<u>7,023</u>

10 Debtors

	2 February 2013 £	28 January 2012 £
Trade debtors	2,019,348	1,927,799
Amounts owed by group undertakings	48,844	21,605
Other debtors	1,328	2,685
Deferred tax	59,894	57,006
Prepayments and accrued income	<u>88,035</u>	<u>68,110</u>
	<u>2,217,449</u>	<u>2,077,205</u>

Deferred tax

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

	£
At 29 January 2012	57,006
Deferred tax credited to the profit and loss account in respect of the current year	7,879
Deferred tax charged to the profit and loss account in respect of changes in tax rates	<u>(4,991)</u>
At 2 February 2013	<u>59,894</u>

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

The deferred tax asset/(liability) comprises:

	2 February 2013 £	28 January 2012 £
Decelerated capital allowances	10,214	12,756
Other timing differences	49,680	44,250
	<u>59,894</u>	<u>57,006</u>

Legislation was introduced in the Finance Act 2012 to reduce the main rate of corporation tax from 26% to 24% with effect from 1 April 2012 and to 23% with effect from 1 April 2013. The effect of this reduction is reflected in the deferred tax asset disclosed in the accounts.

Furthermore, the UK Government announced in the Autumn Statement on 5 December 2012 that it intends to reduce the rate of corporation tax by a further 2% to 21% to apply from 1 April 2014. A further reduction of 1% to apply from 1 April 2015 was announced in the Budget on 20 March 2013. The reduction to 20% has not been reflected in the closing deferred tax asset as it has not been substantively enacted at the balance sheet date.

The Directors estimate that the effect of these changes will reduce the company's recognised deferred tax asset by £7,812.

11 Cash at bank and in hand

	2 February 2013 £	28 January 2012 £
Fiduciary cash held under a non statutory trust	1,277,975	1,279,241
Company cash	215,399	414,440
	<u>1,493,374</u>	<u>1,693,681</u>

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

12 Creditors: Amounts falling due within one year

	2 February 2013 £	28 January 2012 £
Trade creditors	2,322,982	2,303,920
Amounts owed to group undertakings	407,541	359,327
Other creditors	21,197	21,197
Accruals and deferred income	73,230	67,974
	<u>2,824,950</u>	<u>2,752,418</u>

13 Share capital

Allotted, called up and fully paid shares

	2 February 2013 £	28 January 2012 £
500,000 Ordinary shares of £1 each (2012 500,000)	<u>500,000</u>	<u>500,000</u>

14 Reserves

	Profit and loss account £	Total £
At 29 January 2012	537,668	537,668
Loss for the period	(38,986)	(38,986)
Actuarial loss on pension schemes	(145,119)	(145,119)
Current tax relating to actuarial loss on pension schemes	35,308	35,308
At 2 February 2013	<u>388,871</u>	<u>388,871</u>

Genavco Insurance Limited

**Notes to the Financial Statements for the Period from 29 January 2012 to 2 February
2013**

..... *continued*

15 Reconciliation of movement in shareholders' funds

	29 January 2012 to 2 February 2013 £	(As restated) 30 January 2011 to 28 January 2012 £
(Loss)/profit attributable to the members of the company	(38,986)	52,772
Other recognised gains and losses relating to the period	<u>(109,811)</u>	<u>(123,006)</u>
Net reduction to shareholders' funds	(148,797)	(70,234)
Shareholders' funds at start of period	<u>1,037,668</u>	<u>1,107,902</u>
Shareholders' funds at end of period	<u><u>888,871</u></u>	<u><u>1,037,668</u></u>

16 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 £50,850 (2012 - £50,281)

Contributions totalling £nil (2012 - £nil) were payable to the scheme at the end of the period

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

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 Trustee and the Harrods Group on a quarterly basis and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004.

An actuarial valuation of the Plan as at 5 April 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%. At the previous valuation at 5 April 2009, the shortfall was £103m equating to a funding level of 73%.

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 2 February 2013, the participating employers made total contributions to the plan of £15.0m (2012: £17.2m).

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows

	2 February 2013 £	28 January 2012 £
Fair value of scheme assets	4,398,544	4,113,660
Present value of scheme liabilities	<u>(4,328,103)</u>	<u>(4,088,240)</u>
	70,441	25,420
Irrecoverable surplus	<u>(70,441)</u>	<u>(25,420)</u>
Net asset/(liability) in the balance sheet	<u><u>-</u></u>	<u><u>-</u></u>

Scheme assets

Changes in the fair value of scheme assets are as follows

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Fair value at start of period	4,113,660	4,155,045
Expected return on assets	189,039	199,817
Actuarial gains and losses	83,146	33,262
Employer contributions	145,119	166,953
Benefits paid	(132,410)	(123,552)
Transfers	-	(317,865)
Rounding	<u>(10)</u>	<u>-</u>
Fair value at end of period	<u><u>4,398,544</u></u>	<u><u>4,113,660</u></u>

Pension scheme assets have been reallocated between group companies to bring allocations into line with actuarial valuations to ensure that the same principle of allocation be used accross both the scheme assets and liabilities. 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 29 January 2012 to 2 February 2013

..... *continued*

Analysis of assets

The major categories of scheme assets are as follows

	2 February 2013 £	28 January 2012 £
Equity instruments	1,434,964	1,265,647
Debt instruments	1,795,771	1,620,824
Cash	338,410	590,931
Other assets	829,399	636,258
	<u>4,398,544</u>	<u>4,113,660</u>

Actual return on scheme's assets

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Actual return on scheme assets	<u>272,185</u>	<u>233,079</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 29 January 2012 to 2 February 2013

..... *continued*

Scheme liabilities

Changes in the present value of scheme liabilities are as follows

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Present value at start of period	4,088,240	3,629,971
Actuarial gains and losses	183,234	382,004
Interest cost	189,039	199,817
Benefits paid	<u>(132,410)</u>	<u>(123,552)</u>
Present value at end of period	<u>4,328,103</u>	<u>4,088,240</u>
Analysed as:		
Present value arising from wholly or partly funded schemes	<u>4,328,103</u>	<u>4,088,240</u>

Principal actuarial assumptions

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

	2 February 2013 %	28 January 2012 %
Discount rate	4 60	4 70
Future pension increases	2 60	2 30
Inflation	3 40	3 10
Expected return on scheme assets - equity	6 40	6 20
Expected return on scheme assets - cash	2 80	2 60
Expected return on scheme assets - other	<u>4 60</u>	<u>4 40</u>

Post retirement (at age 60) mortality assumptions

	2 February 2013 Years	28 January 2012 Years
Current pensioners at retirement age - male	27 90	28 30
Current pensioners at retirement age - female	30 20	30 90
Future pensioners at retirement age - male	30 40	31 50
Future pensioners at retirement age - female	<u>32 70</u>	<u>34 10</u>

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

Amounts recognised in the profit and loss account

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Amounts recognised in operating (loss)/profit		
Recognised in arriving at operating (loss)/profit	-	-
Amounts recognised in other finance cost		
Interest cost	189,039	199,817
Expected return on scheme assets	(189,039)	(199,817)
Recognised in other finance cost	-	-
Total recognised in the profit and loss account	-	-

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

Amounts recognised in the statement of total recognised gains and losses

	29 January 2012 to 2 February 2013 £	30 January 2011 to 28 January 2012 £
Actual return less expected return on scheme assets	83,146	33,262
Effect of surplus cap	(45,031)	181,790
Changes in assumptions	<u>(183,234)</u>	<u>(382,005)</u>
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	<u><u>(145,119)</u></u>	<u><u>(166,953)</u></u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is (£1,312,476) (2012 - (£1,167,357))

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 2 periods are as follows

	2 February 2013 £	28 January 2012 £	29 January 2011 £
Fair value of scheme assets	4,398,544	4,113,660	4,155,045
Present value of scheme liabilities	<u>(4,328,103)</u>	<u>(4,088,240)</u>	<u>(3,629,971)</u>
Surplus in scheme	<u><u>70,441</u></u>	<u><u>25,420</u></u>	<u><u>525,074</u></u>
Experience adjustments			
	2 February 2013 £	28 January 2012 £	29 January 2011 £
Experience adjustments arising on scheme assets	<u><u>83,146</u></u>	<u><u>33,262</u></u>	<u><u>87,314</u></u>

Genavco Insurance Limited

Notes to the Financial Statements for the Period from 29 January 2012 to 2 February 2013

..... *continued*

17 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 2 February 2013 or 28 January 2012.

18 Commitments

Operating lease commitments

As at 2 February 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire

	2 February 2013 £	28 January 2012 £
Land and buildings		
Within one year	58,333	5,000
Within two and five years	<u>65,000</u>	<u>-</u>
	<u>123,333</u>	<u>5,000</u>

19 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.

20 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.