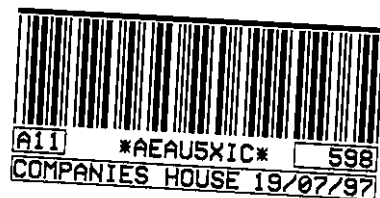


METRO BUSINESS AVIATION (1995) LIMITED

**REPORT AND FINANCIAL STATEMENTS
53 WEEKS ENDED 1 FEBRUARY 1997**



Registered Number: 1347314

METRO BUSINESS AVIATION (1995) LIMITED

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METRO BUSINESS AVIATION (1995) LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the unaudited financial statements of the Company for the 53 weeks ended 1 February 1997.

Principal Activity

The company did not trade or conduct any other activities during the period. No changes are expected in the immediate future.

Directors and their Interests

The present Directors of the Company are:

J G Hawkins (appointed 28 June 1996)
S Jerman

The following Director also held office during the year:

D R Webb (resigned 1 August 1996)

In accordance with the Articles of Association, no Director is required to seek re-election at the forthcoming Annual General Meeting.

No Director in office at 1 February 1997 held any beneficial interest in the shares of Harrods Holdings plc (formerly Harrods Investments plc), or any of its subsidiaries at 28 January 1996 or at date of appointment or 1 February 1997.

No Director has had a material interest directly or indirectly at any time during the year in any contract significant to the business of the Company.

METRO BUSINESS AVIATION (1995) LIMITED

DIRECTORS' REPORT

Statement of Directors' Responsibilities

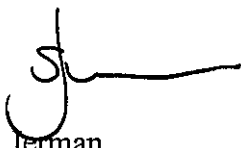
The Directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period.

The Directors have prepared the financial statements on pages 3 to 5 on a going concern basis and consider that the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By Order of the Board


S Jerman
Secretary
8 April 1997

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

METRO BUSINESS AVIATION (1995) LIMITED

**BALANCE SHEET
AS AT 1 FEBRUARY 1997**

Note		At 1/2/97 £	At 27/1/96 £
	Creditors: Amounts falling due within one year		
	Amounts owed to group undertakings	<u>(141,298)</u>	<u>(141,298)</u>
	Capital and reserves		
3.	Called up share capital	42,000	42,000
	Profit and loss account	<u>(183,298)</u>	<u>(183,298)</u>
	Equity shareholders' funds	<u>(141,298)</u>	<u>(141,298)</u>

The Company was dormant within the meaning of Section 250 of the Companies Act 1985, throughout the 53 weeks ended 1 February 1997

Approved by the Board on 8 April 1997



J G Hawkins
DIRECTOR

METRO BUSINESS AVIATION (1995) LIMITED

NOTES TO THE ACCOUNTS 53 WEEKS TO 1 FEBRUARY 1997

1. Accounting policies

Basis of Accounts

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

The ultimate UK holding company, Harrods Holdings plc, (formerly Harrods Investments plc), produces a consolidated cashflow statement in accordance with Financial Reporting Standard 1 ("FRS1"). Consequently, the Company has taken advantage of the exemption in FRS1 from producing a cashflow statement.

The Company has net current liabilities and a deficit of shareholders' funds at 1st February 1997. In order that the financial statements be prepared on a going concern basis, the Company's immediate parent undertaking has indicated that it will not call for a repayment of amounts due to group undertakings without first ensuring the Company has adequate funds to meet its financial obligations as they fall due.

2. Information regarding directors and employees

No emoluments were paid to the Directors of the Company during the year. (1995/96 - £nil).

The Company did not employ any persons or incur any staff costs during the year. (1995/96 - £nil).

3. Called up share capital	1/2/97	27/1/96
Authorised:		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
42,000 ordinary shares of £1 each	<u>42,000</u>	<u>42,000</u>

METRO BUSINESS AVIATION (1995) LIMITED

NOTES TO THE ACCOUNTS 53 WEEKS TO 1 FEBRUARY 1997

4. Parent undertakings

The Company's immediate parent undertaking is Metro Business Aviation Limited, a company registered in England and Wales. The ultimate UK parent undertaking of Metro Business Aviation Limited, is Harrods Holdings plc (formerly Harrods Investments plc), a company registered in England and Wales, which is the parent undertaking of the Harrods Holdings Group and which is both the smallest and the largest Group which consolidates the results of the Company. The Group accounts will be filed with the Register of Companies in due course.

The ultimate UK holding company, Harrods Holdings plc, (formerly Harrods Investments plc), produces a consolidated cashflow statement in accordance with Financial Reporting Standard 1 ("FRS1"). Consequently, the Company has taken advantage of the exemption in FRS1 from producing a cashflow statement.

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.