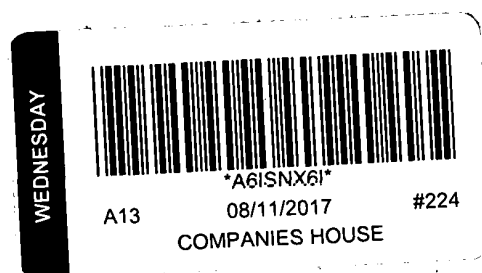


REGISTERED NUMBER: 00131101 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016
FOR
HARRODS (BUENOS AIRES) LIMITED**

GBJ LLP
Sterling House
27 Hatchlands Road
Redhill
Surrey
RH1 6RW



HARRODS (BUENOS AIRES) LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	10

HARRODS (BUENOS AIRES) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2016**

DIRECTORS:

Ms L E R Martinez de Da Costa
Mrs N B Bengochea

REGISTERED OFFICE:

Sterling House
27 Hatchlands Road
Redhill
Surrey
RH1 6RW

REGISTERED NUMBER:

00131101 (England and Wales)

AUDITORS:

GBJ LLP
Sterling House
27 Hatchlands Road
Redhill
Surrey
RH1 6RW

HARRODS (BUENOS AIRES) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their report with the financial statements of the company for the year ended 31 August 2016.

DIRECTORS

Ms L E R Martinez de Da Costa has held office during the whole of the period from 1 September 2015 to the date of this report.

Other changes in directors holding office are as follows:

Mrs N B Bengochea was appointed as a director after 31 August 2016 but prior to the date of this report.

A M Busa ceased to be a director after 31 August 2016 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, GBJ LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

HARRODS (BUENOS AIRES) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2016**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'N B Bengochea', written over a horizontal line.

Mrs N B Bengochea - Director

20 October 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARRODS (BUENOS AIRES) LIMITED

We have audited the financial statements of Harrods (Buenos Aires) Limited for the year ended 31 August 2016 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors 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.

Qualified opinion on financial statements arising from limitation of evidence.

We are unable to obtain sufficient appropriate audit evidence on which to base our opinion, but conclude that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive. The audit opinion is therefore qualified.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARRODS (BUENOS AIRES) LIMITED

Going concern and fundamental uncertainty

It would appear that the company may be in default in respect of a number of loans included in the balance sheet and we have been unable to confirm that the loans shown as being due from shareholder will be recovered in full. Consequently we have been unable to satisfy ourselves that the company will remain a going concern for the foreseeable future.

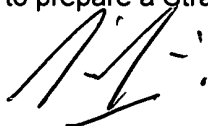
In the year ended 31 August 2001 the company sold its subsidiary Harrods (South America) Limited for US\$125,000. We have been unable to trace the receipt of these funds through the company's records and to establish what happened to them. We have assumed for the purposes of the accounts that they were applied in further loans to the shareholders. Furthermore, it has come to our attention that in 1999 the company entered into a loan agreement with UBS AG for the loan to the company of US\$4,500,000. The loan was never reflected in the company's records and we understand the entire sum was applied in making a further loan to the shareholders. We have included the sum outstanding at 31 August 2016 into the balance sheet on that basis.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

- 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Mr N I Green (Senior Statutory Auditor)
for and on behalf of GBJ LLP
Sterling House
27 Hatchlands Road
Redhill
Surrey
RH1 6RW

20 October 2017

HARRODS (BUENOS AIRES) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Notes	£	2016 £	£	2015 £
TURNOVER			-		-
Distribution costs		6,806		9,192	
Administrative expenses		46,138		56,345	
			<u>52,944</u>	<u></u>	<u>65,537</u>
OPERATING LOSS	2		(52,944)		(65,537)
Interest receivable and similar income			<u>440,058</u>		<u>444,898</u>
			387,114		379,361
Interest payable and similar charges			<u>1,231,025</u>		<u>57,934</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(843,911)		321,427
Tax on (loss)/profit on ordinary activities	3		<u>-</u>		<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			<u>(843,911)</u>		<u>321,427</u>

The notes form part of these financial statements

HARRODS (BUENOS AIRES) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2016**

	2016 £	2015 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(843,911)	321,427
Currency translation differences	<u>472,311</u>	<u>(9,214)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>(371,600)</u></u>	<u><u>312,213</u></u>

The notes form part of these financial statements

HARRODS (BUENOS AIRES) LIMITED (REGISTERED NUMBER: 00131101)

**BALANCE SHEET
31 AUGUST 2016**

	Notes	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	4		1,090,115	1,090,115
CURRENT ASSETS				
Debtors	5	13,066,136	12,583,904	
Cash in hand		888	52	
		13,067,024	12,583,956	
CREDITORS				
Amounts falling due within one year	6	5,966,143	5,216,158	
NET CURRENT ASSETS			7,100,881	7,367,798
TOTAL ASSETS LESS CURRENT LIABILITIES			8,190,996	8,457,913
CREDITORS				
Amounts falling due after more than one year	7		995,069	890,386
NET ASSETS			7,195,927	7,567,527
CAPITAL AND RESERVES				
Called up share capital	9		3,720,317	3,720,317
Revaluation reserve	10		1,034,666	1,034,666
Other reserves	10		75,834	75,834
Profit and loss account	10		2,365,110	2,736,710
SHAREHOLDERS' FUNDS			7,195,927	7,567,527

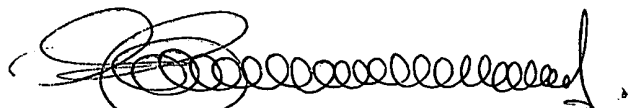
The notes form part of these financial statements

HARRODS (BUENOS AIRES) LIMITED (REGISTERED NUMBER: 00131101)

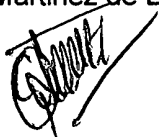
BALANCE SHEET - continued
31 AUGUST 2016

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 20 October 2017 and were signed on its behalf by:



Ms L E R Martinez de Da Costa - Director



Mrs N B Bengochea - Director

The notes form part of these financial statements

HARRODS (BUENOS AIRES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements are prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future and will be able to realise its asset values and settle its liabilities in the normal course of operations. The validity of this assumption depends on the continued ability of the shareholders to support the company's financial requirements and the success of the negotiations by the directors to establish an alternative income stream. The directors consider that it is appropriate for the financial statements to be prepared on the going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Tangible fixed assets

The company's freehold land and buildings were valued by an independent appraiser as at 31 December 1971, and the directors consider it appropriate to state freehold land and buildings at 80% of such valuations, expressed in sterling at the rate applicable at 31 August 1971. The proportion of this valuation attributable to freehold buildings is depreciated at 2% per annum on a straight line basis.

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation, and became fully written off on 31 August 2000.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. OPERATING LOSS

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	-	6,874
Auditors' remuneration	<u>4,998</u>	<u>4,998</u>

HARRODS (BUENOS AIRES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2016****2. OPERATING LOSS - continued**

Directors' remuneration and other benefits etc

-	-
<u> </u>	<u> </u>

3. TAXATION

The company and its subsidiary undertaking are not resident in the United Kingdom for tax purposes and accordingly no provision for United Kingdom taxation is required.

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 September 2015 and 31 August 2016	1,503,716	516,852	2,020,568
DEPRECIATION			
At 1 September 2015 and 31 August 2016	413,601	516,852	930,453
NET BOOK VALUE			
At 31 August 2016	1,090,115	-	1,090,115
At 31 August 2015	1,090,115	-	1,090,115

Freehold land and buildings are stated at a figure based on the 1971 valuation as described in Note 1 (Accounting Policies). Due to the variation in the local currency in 2016, the directors consider that it is not possible to obtain a reliable market valuation at the present time. However on the basis of local assessments to property taxes, they consider that the current value exceeds the figure stated in the balance sheet.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other debtors	13,066,136	12,583,904

HARRODS (BUENOS AIRES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2016****5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

Included in the above are loans to shareholders amounting to £12,212,440 (2015: £11,772,382). These loans were made in 1985 to the company's shareholders at that time, Intercomfinanz Limited and Ladenimor Limited. The loan to Intercomfinanz Limited which was £6,223,726 on 31 August 2016 (2015: £5,999,463) has been rolled over automatically. The loan to Ladenimor Limited, the minority shareholder at the time, was assumed by CBC International Limited on 14 June 1993, when that company purchased Ladenimor's shareholding. The loan including accrued interest stood at £5,988,714 on 31 August 2016 (2015: £5,772,919). Also included above are sums received from the sale of the subsidiary company of £72,279 (2015: £72,279) and from a loan from Westore International SA amounting to £699,320 (2015: £594,637) which are believed to have been lent on to the shareholders.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	71,769	76,672
Taxation and social security	207,895	150,271
Other creditors	5,686,479	4,989,215
	<u>5,966,143</u>	<u>5,216,158</u>

Some of the bank loans and overdrafts and other creditors are secured by an attachment of the company's freehold property.

Included within other creditors is a loan from Lamarco Group of £1,521,490 (2015 - £1,308,113) on which interest of 12% per annum is charged.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans	699,320	594,637
Other creditors	295,749	295,749
	<u>995,069</u>	<u>890,386</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Bank loans more 5 yrs non-inst	699,320	594,637
Shareholders' loans	295,749	295,749
	<u>995,069</u>	<u>890,386</u>

HARRODS (BUENOS AIRES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2016****7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

Bank loans includes an amount due to Westore International SA of £699,320 (2015: £594,637). Instalments and interest on the loans have been paid by the shareholders of Harrods (Buenos Aires) Ltd. The loan was cancelled by Westore International SA on 22 September 2017.

8. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank loans	<u>699,320</u>	<u>594,637</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
20,020,000	Ordinary	1p	200,200	200,200
70,402,344	Deferred	5p	<u>3,520,117</u>	<u>3,520,117</u>
			<u>3,720,317</u>	<u>3,720,317</u>

10. RESERVES

	Profit and loss account	Revaluation reserve	Other reserves	Totals
	£	£	£	£
At 1 September 2015	2,736,710	1,034,666	75,834	3,847,210
Deficit for the year	(843,911)			(843,911)
Currency differences	<u>472,311</u>	<u>-</u>	<u>-</u>	<u>472,311</u>
At 31 August 2016	<u>2,365,110</u>	<u>1,034,666</u>	<u>75,834</u>	<u>3,475,610</u>

The revaluation reserve relates to the surplus arising from the revaluation of the company's freehold land and buildings in 1971. The company has opted not to transfer the depreciation charge in respect of the revaluation from the revaluation reserve to the profit and loss account. The other reserve is a capital redemption reserve fund.

11. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company which also exercises overall control is Interconfinanz S.A., registered in Switzerland.