

Company number: 0353351

**HARRODS GROUP TRUSTEES LIMITED
(FORMERLY HARRODIAN TRUSTEES LIMITED)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 27 JANUARY 1996



HARRODS GROUP TRUSTEES LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

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HARRODS GROUP TRUSTEES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the 52 weeks ended 27 January 1996.

Change of Name

On 6 February 1996 the company changed its name from Harrodian Trustees Limited to Harrods Group Trustees Limited.

Directors

The present directors of the Company are:

Mr A. Anderson	(Appointed 6.2.96)
Mr J. J. Bekenn	(Appointed 6.2.96)
Mr W. A. Craddock	(Appointed 6.2.96)
Mr F. Sainsbury	(Appointed 6.2.96)
Mr D. R. Webb	(Appointed 6.2.96)
Mr G. Willoughby	(Appointed 6.2.96)
Mrs S. Jerman	

Other directors who served during the year were:

Mr C. P. de Boer	(Resigned 6.2.96)
Mr J. G. Hawkins	(Resigned 6.2.96)

In accordance with the Articles of Association, Mrs S Jerman will retire by rotation, and being eligible, will seek re-election at the forthcoming Annual General Meeting.

Principal activity

The Company exercised a deed on 14 February 1996 and consented to act as the Trustee to the Harrods Group Pension Plan.

Directors' interests

No director in office at 27 January 1996 held any beneficial interest in the shares of Harrods Investments plc or any of its subsidiaries at 29 January 1995 or at 27 January 1996.

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.

HARRODS GROUP TRUSTEES LIMITED

DIRECTORS' REPORT (Continued)

Statement of Directors' Responsibilities

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

The directors consider that in preparing the financial statements, which have been prepared on a going concern basis, on pages 4 to 5, 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.

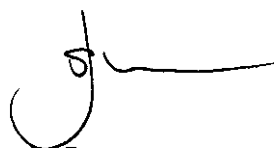
Auditors

Price Waterhouse have expressed their willingness to continue in office as Auditors to the Company and a resolution proposing their re-appointment will be put to the Annual General Meeting.

Close Company

As at 27 January 1996, the Company was a Close Company within the meaning of Part XI, Chapter I of the Income and Corporation Taxes Act 1988.

By Order of the Board



S. Jerman
Secretary

Registered Office
14 South Street
London
W1Y 5PJ

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
HARRODS GROUP TRUSTEES LTD**

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 27 January 1996 and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Chartered Accountants
and Registered Auditors

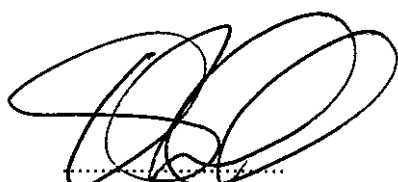
16 April 1996

HARRODS GROUP TRUSTEES LIMITED

BALANCE SHEET

		27 January 1996 £	28 January 1995 £
Note			
Current Assets			
Cash at bank and in hand		<u>20</u>	<u>20</u>
Capital and reserves			
Called up share capital	3	52	52
Profit and loss reserve		(32)	(32)
TOTAL SHAREHOLDERS FUNDS		<u>20</u>	<u>20</u>

The financial statements were approved by the Board on April 1996



D. R. Webb
Director

HARRODS GROUP TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policy

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

- 2 The Company did not trade or conduct any other activities during the period. None of the directors received any emoluments during the period in respect of their services to the Company (1995: £NIL).

3 Called up share capital

	27 January 1996 £	28 January 1995 £
Ordinary shares of £1 :		
Authorised	<u>100</u>	<u>100</u>
Issued and fully paid	<u>52</u>	<u>52</u>

4 Post balance sheet event

On 6 February 1996, Harrodian Trustees Limited changed its name to Harrods Group Trustees Limited.

On 6 February 1996, the entire share capital of Harrods Group Trustees Limited was transferred to Harrods Holdings plc.

5 Parent undertakings

The ultimate parent undertaking is Alfayed Investment and Trust PVT LP, a partnership based in Bermuda (formerly Alfayed Investment and Trust PVT Limited, a company incorporated in Bermuda). All interests in the Partnership continue to be under the control and held for the benefit of the Fayed family.