

**HARRODS AVIATION LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**52 WEEKS ENDED 27 JANUARY 2001**



**Registered Number: 3037563**

# **HARRODS AVIATION LIMITED**

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# **HARRODS AVIATION LIMITED**

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the 52 weeks ended 27 January 2001.

### **Principal Activity**

The Company's principal activity is that of a holding company. The Company did not trade or conduct any other activities during the 52 weeks ended 27 January 2001.

### **Directors and their Interests**

The Directors of the Company who served during the year are:

M Al Fayed  
R J Fallowfield  
W C Najdecki

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

Apart from M Al Fayed who is beneficially interested in the shares of Harrods Holdings Limited, the ultimate parent company in the United Kingdom, no other Director in office at 27 January 2001 held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at 30 January 2000 or at 27 January 2001.

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.

### **Auditors**

PricewaterhouseCoopers have expressed their willingness to continue in office as Auditors to the Company and a resolution proposing their re-appointment and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

# HARRODS AVIATION LIMITED

## DIRECTORS' REPORT (Continued)

### Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year that 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. The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 27 January 2001 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.

By Order of the Board



S Jerman  
Secretary  
22 November 2001

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

# **HARRODS AVIATION LIMITED**

## **AUDITORS' REPORT TO THE MEMBERS OF HARRODS AVIATION LIMITED**

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

### **Respective Responsibilities of Directors and Auditors**

The Directors are responsible for preparing the Annual Report. As described on page 2, this includes the responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

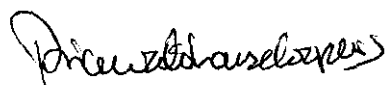
### **Basis of Audit Opinion**

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 the Company's affairs as at 27 January 2001 and of its result for the 52 weeks then ended, and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
1 Embankment Place, London, WC2N 6RH  
22 November 2001

# HARRODS AVIATION LIMITED

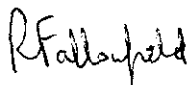
## BALANCE SHEET AT 27 JANUARY 2001

Note	27/1/01 £	29/1/00 £
<b>Fixed Assets</b>		
3 Investments	-	-
<b>Current Assets</b>		
<b>Debtors:</b>		
Amounts owed by group undertakings	2	2
<b>Creditors:</b>		
Amounts falling due within one year:		
Amounts owed to group undertakings	(1,313,296)	(1,313,296)
<b>Net Liabilities</b>	<u>(1,313,294)</u>	<u>(1,313,294)</u>
<b>Capital and Reserves</b>		
4 Called up share capital	2	2
5 Profit and loss account	<u>(1,313,296)</u>	<u>(1,313,296)</u>
6 <b>Equity shareholders' funds</b>	<u>(1,313,294)</u>	<u>(1,313,294)</u>

A profit and loss account has not been produced as the Company did not trade during the financial year or the preceding financial year making neither a profit nor a loss.

The notes on pages 5 to 7 form part of these accounts.

Approved by the Board on 22 November 2001.



R J Fallowfield  
DIRECTOR

# HARRODS AVIATION LIMITED

## NOTES TO THE ACCOUNTS

### 1 Accounting Policies

#### Basis of Financial Statements:

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

Group financial statements are not presented as the Company is a wholly owned subsidiary of Harrods Holdings Limited, a company registered in England which prepares consolidated accounts.

The Company has a deficit of shareholders funds at 27 January 2001. In order that the financial statements be prepared on a going concern basis, the Company's parent undertaking has indicated that it will not call for repayments of amounts due to the group undertakings without first ensuring that the Company has adequate funds to meet its obligations as they fall due.

### 2 Information regarding Directors and Employees

No emoluments were paid to the Directors of the Company during the year (2000- £nil). The Company did not employ any persons or incur any staff costs during the year (2000 - £nil).

### 3 Fixed Asset Investments

	<b>Subsidiary Undertakings £</b>
Opening and closing cost of investments	1,313,296
Impairment of subsidiary undertaking	(1,313,296)
Opening and closing net book value	<u>-</u>

The subsidiary undertakings of the Company are as follows:	<b>Principal Activity</b>	<b>Proportion of Shareholding/ Voting rights</b>
Metro Business Aviation Limited	Executive jet handling company	100%
Metro Business Aviation (Heathrow) Limited	Dormant	100%
Metro Business Aviation (Stansted) Limited	Dormant	100%
Metro Business (1995) Limited	Dormant	100%
Air Harrods Limited	Provision of helicopter chartering services	100%

Metro Business Aviation Limited is directly owned by Harrods Aviation Limited. All other subsidiary companies are owned by Metro Business Aviation Limited.

# HARRODS AVIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

	27/1/01 £	29/1/00 £
<b>4 Called Up Share Capital</b>		
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>5 Profit and loss account</b>		
Opening profit and loss account	(1,313,296)	(1,313,294)
Loss for the year	-	-
Closing profit and loss account	<u>(1,313,296)</u>	<u>(1,313,296)</u>
<b>6 Reconciliation of movement in shareholders' funds</b>		
Opening shareholders' funds	(1,313,294)	(1,313,294)
Loss for the year	-	-
Closing shareholders' funds	<u>(1,313,294)</u>	<u>(1,313,294)</u>



# HARRODS AVIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 7 Parent Undertakings

The Company's immediate parent undertaking is Harrods (UK) Limited. The immediate parent undertaking of Harrods (UK) Limited is Harrods Holdings Limited, 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 Registrar of 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.

The Company is a wholly owned subsidiary of Harrods Holdings Limited and, as permitted by Financial Reporting Standard 8 "Related Party Disclosures", transactions with other entities in the Harrods Holdings Group are not disclosed.