

QH PARTNERS LIMITED

FINANCIAL STATEMENTS

**For the Period ended
29 JANUARY 2011**

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Company no 5961740

QH PARTNERS LIMITED
FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2011

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The directors present their report together with the audited financial statements for the period ended 29 January 2011

Principal activity

The principal activity of the company is that of an investment holding company

Business review and key performance indicators

There was a profit for the period after taxation amounting to £4.6m (2010 £43.6m). The prior year profit arises from the reversal of an exceptional impairment provision charged in 2009 and from dividends received from Harrods Holdings Limited. The company paid a dividend during the period of £1.5m (2010 £nil).

Directors

The membership of the Board is set out below. All served on the Board throughout the year unless otherwise noted.

M Al Fayed (resigned 07/05/10)
A Fayed (resigned 07/05/10)
O Fayed (appointed 09/04/10, resigned 07/05/10)
J Byrne (resigned 28/11/10)
A Tanna (resigned 07/05/10)
M Ward
B Smith
A M Al-Sayed (appointed 07/05/10)
A Armstrong (appointed 07/05/10, resigned 28/06/10)
K Al-Kuwari (appointed 07/05/10)
H Al-Abdulla (appointed 07/05/10)
K Maamria (appointed 08/07/10)

The directors consider it appropriate for these financial statements to be prepared on a going concern basis as the company's debt is repayable with not less than 12 months notice by the lender. As of the date of signing, no such notice had been served.

Directors' Responsibilities Statement

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 laws). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Responsibilities Statement (continued)

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.

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act.

BY ORDER OF THE BOARD



J M Goldberg
Secretary

13th October 2011

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QH PARTNERS LIMITED**

We have audited the financial statements of QH Partners Limited for the period ended 29 January 2011 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 15. 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 auditors' 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 the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 January 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom General Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.



Grant Thornton

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QH PARTNERS LIMITED**

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

Simon Lowe
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
London

13/10/14

Basis of Preparation

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

The directors consider it appropriate for these financial statements to be prepared on a going concern basis as the company's debt is repayable with not less than 12 months notice by the lender. As of the date of signing, no such notice had been served.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

QH Partners Limited is a wholly owned subsidiary of Qatar Holding UK Limited which produces Group accounts in accordance with the Companies Act 2006. Consequently the company has taken advantage of the exemption permitted by section 400 of the Act from producing Group accounts. These accounts therefore present information about the company and not about its group.

The company's ultimate UK parent Qatar Holding UK Limited produces a consolidated cash flow statement in accordance with Financial Reporting Standard No 1 (FRS1). Consequently the company has taken advantage of the exemption in FRS1 from producing a cash flow statement.

Investments

Investments are included at cost less provision for impairment where appropriate.

QH PARTNERS LIMITED
PROFIT AND LOSS ACCOUNT

For the period ended 29 JANUARY 2011

	Note	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
Administrative expenses	1	8	(10)
Exceptional item	3	-	39,398
Operating profit		8	39,388
Other income	2	2,672	2,107
Profit on ordinary activities before taxation		2,680	41,495
Tax on profit on ordinary activities	4	1,927	2,117
Profit on ordinary activities after taxation	11	4,607	43,612

All transactions arise from continuing operations

There were no recognised gains or losses other than the profit for the financial period

The accompanying accounting policies and notes form an integral part of these financial statements

QH PARTNERS LIMITED
BALANCE SHEET AT 29 JANUARY 2011

	Note	At 29 January 2011 £'000	At 30 January 2010 £'000
Fixed assets			
Investments	5	<u>291,450</u>	<u>291,450</u>
Current assets			
Debtors	6	1,927	2,117
Cash at bank and in hand		<u>1</u>	<u>1</u>
		<u>1,928</u>	<u>2,118</u>
Creditors' amounts falling due within one year	7	<u>-</u>	<u>(14)</u>
Net current assets		<u>1,928</u>	<u>2,104</u>
Total assets less current liabilities		<u>293,378</u>	<u>293,554</u>
Creditors' amounts falling due after more than one year	8	<u>(271,005)</u>	<u>(274,259)</u>
Net assets		<u><u>22,373</u></u>	<u><u>19,295</u></u>
Capital and reserves			
Called up share capital	9	1,450	1,450
Profit and loss account	10	<u>20,923</u>	<u>17,845</u>
Shareholders' funds	10,11	<u><u>22,373</u></u>	<u><u>19,295</u></u>

The financial statements were approved by the Board of Directors on *October 13, 2011*

Benedict Smith

B Smith - Director

Company registration no 5961740

The accompanying accounting policies and notes form an integral part of these financial statements

For the period ended 29 JANUARY 2011

1 Operating profit

No emoluments were paid to the directors of the company during the period (2010 £nil)

The company did not employ any persons or incur any staff costs during the period (2010 £nil)

Audit fees for the period were £nil (2010 £10,551) as they were borne by another group company

2 Other income

	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
Investment income		
Dividends received from group undertakings	<u>2,672</u>	<u>2,107</u>

3 Exceptional item

	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
Reversal of impairment of minority investment	<u>-</u>	<u>39,398</u>

For the period ended 29 JANUARY 2011

4 Tax on profit on ordinary activities

The tax credit is based on the profit for the period and represents

	52 weeks ended 30 January 2011 £'000	52 weeks ended 31 January 2010 £'000
Current tax		
Group relief	1,927	2,117
Total tax credit for the period	<u>1,927</u>	<u>2,117</u>

The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 28% (2010 28%)

Profit on ordinary activities before tax	<u>2,680</u>	<u>41,495</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2010 28%)	(750)	(11,619)
Effect of		
Dividend income not assessable for tax purposes	748	590
Impairment provision not deductible for tax purposes	-	11,032
Group relief on imputed interest expense for transfer pricing adjustments	<u>1,929</u>	<u>2,114</u>
Current tax credit for the period	<u>1,927</u>	<u>2,117</u>

5 Investments included in fixed assets

	Unlisted investments £'000
Cost	
At 31 January 2010 and at 29 January 2011	<u>291,450</u>
Net book amount	
At 30 January 2010 and at 29 January 2011	<u>291,450</u>

The company owns 27.57% of Harrods Holdings Limited, which is registered in England and Wales and operates in the United Kingdom. The principal activity of Harrods Holdings Limited is an intermediary holding company for the Harrods retail group.

QH PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 JANUARY 2011

6 Debtors

	At 29 January 2011 £'000	At 30 January 2010 £'000
Amounts receivable from group undertakings	<u>1,927</u>	<u>2,117</u>

7 Creditors: amounts falling due within one year

	At 29 January 2011 £'000	At 30 January 2010 £'000
Accruals	-	8
Amounts owed to group undertakings	-	6
	<u>-</u>	<u>14</u>

8 Creditors: amounts falling due after more than one year

	At 29 January 2011 £'000	At 30 January 2010 £'000
Related party loans	<u>271,005</u>	<u>274,259</u>

The company has been granted a loan from Harrods Property Limited, which is under common control of the company's ultimate parent undertaking. The debt is non-interest bearing and is repayable with not less than 12 months notice by the lender.

9 Share capital

	At 29 January 2011 £'000	At 30 January 2010 £'000
Authorised, issued and fully paid: 1,450,000 ordinary shares of £1 each	<u>1,450</u>	<u>1,450</u>

For the period ended 29 JANUARY 2011

10 Reserves

	Profit and loss account £'000
At 31 January 2010	17,845
Profit for the period	4,607
Dividends paid	(1,529)
At 29 January 2011	<u>20,923</u>

11 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial period	4,607	43,612
Dividends	(1,529)	-
Retained profit for the period	<u>3,078</u>	<u>43,612</u>
Shareholders' surplus/(deficit) at 31 January 2010	<u>19,295</u>	<u>(24,317)</u>
Shareholders' surplus at 29 January 2011	<u>22,373</u>	<u>19,295</u>

12 Capital commitments

The company had no capital commitments at 29 January 2011 or 30 January 2010

13 Contingent assets/liabilities

There were no contingent liabilities at 29 January 2011 or 30 January 2010

14 Transactions with directors/and other related parties

The company has been granted a loan from Harrods Property Limited. The debt is non-interest bearing and is repayable with not less than 12 months notice by the lender. At the period end, the loan outstanding was £271.0m (2010 £274.3m). There are no other related party transactions.

15 Controlling related parties

The company's immediate parent undertaking is QH Participations Limited, a company incorporated in the United Kingdom. The ultimate UK parent undertaking of QH Participations Limited is Qatar Holding UK Limited. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Qatar Holding UK 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.