

# QH Partners Limited

Financial Statements

for the Period ended 28 January 2012

Company no 5961740

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**QH Partners Limited**  
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**QH Partners Limited**  
**Directors' Report for the Period ended 28 January 2012**

The Directors present their report together with the audited financial statements for the period ended 28 January 2012

**Principal activity**

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

**Business review**

There was a profit for the period after taxation amounting to £29.7m (2011 £4.6m). The company paid a dividend during the period of £27.7m (2011 £1.5m).

**Directors of the company**

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

M A Ward

B J Smith (resigned 31 July 2012)

A M Al-Sayed

K J Al-Kuwari

H Al-Abdulla

K Maamria

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.

## **QH Partners Limited**

### **Statement of Directors' Responsibilities**

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 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 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.

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.

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.

#### **Disclosure of information to the auditors**

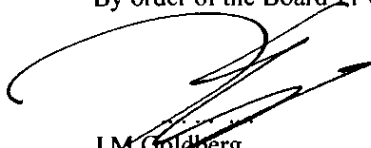
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

#### **Reappointment of auditors**

Ernst & Young LLP were appointed as auditors on 12th January 2012.

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Board 11 October 2012



J.M. Goldberg  
Company secretary

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 from 30 January 2011 to 28 January 2012 which comprises the Profit and Loss Account, the Balance Sheet, the Principal Accounting Policies on page 5 and the related notes 1 to 14. 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 auditor's 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 directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 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**

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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 January 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter 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.

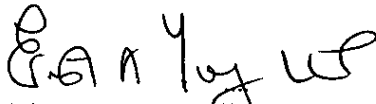
**Independent Auditor's Report to the Members of  
QH Partners Limited**

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**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



Philippa Jane Green (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP

Date 16-10-2012

## **QH Partners Limited**

### **Principal Accounting Policies**

#### **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 Harrods Group (Holding) 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 Harrods Group (Holding) 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 28 January 2012**

	Note	52 weeks ended 28 January 2012 £000	52 weeks ended 29 January 2011 £000
Turnover		-	-
Administrative expenses		-	8
Operating profit	1	-	8
Income from shares in group undertakings	2	27,711	2,672
Profit on ordinary activities before taxation		27,711	2,680
Tax on profit on ordinary activities	3	1,943	1,926
Profit for the financial period	9	29,654	4,606

All transactions arise from continuing operations

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

The notes on pages 8 to 12 form an integral part of these financial statements



# QH Partners Limited

## Balance Sheet at 28 January 2012

	Note	28 January 2012 £000	29 January 2011 £000
<b>Fixed assets</b>			
Investments	4	<u>291,450</u>	<u>291,450</u>
<b>Current assets</b>			
Debtors	5	1,943	1,926
Cash at bank and in hand		<u>1</u>	<u>1</u>
		<u>1,944</u>	<u>1,927</u>
Total assets less current liabilities		293,394	293,377
Creditors Amounts falling due after more than one year	6	<u>(269,079)</u>	<u>(271,005)</u>
Net assets		<u>24,315</u>	<u>22,372</u>
<b>Capital and reserves</b>			
Called up share capital	7	1,450	1,450
Profit and loss account	9	<u>22,865</u>	<u>20,922</u>
Shareholders' funds	10	<u>24,315</u>	<u>22,372</u>

The financial statements were approved by the Board of Directors on 11 October 2012

M A Ward  
Director

Company registration no 5961740

The notes on pages 8 to 12 form an integral part of these financial statements

**QH Partners Limited**  
**Notes to the Financial Statements for the Period ended 28 January 2012**

**1 Operating profit**

No emoluments were paid to the directors of the company during the period (2011 £nil)

The company did not employ any persons or incur any staff costs during the period (2011 £nil)

Audit fees for the period were £nil (2011 £nil) as they were borne by another group company

**2 Other income**

	52 weeks ended 28 January 2012 £000	52 weeks ended 29 January 2011 £000
Investment income Dividends received from group undertakings	27,711	2,672
	<u>27,711</u>	<u>2,672</u>

**3 Tax on profit on ordinary activities**

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

	52 weeks ended 28 January 2012 £000	52 weeks ended 29 January 2011 £000
<b>Current tax</b>		
Current tax credit Group relief receivable	(1,943)	(1,926)
	<u>(1,943)</u>	<u>(1,926)</u>

**QH Partners Limited**  
**Notes to the Financial Statements for the Period ended 28 January 2012**  
*..... continued*

**Factors affecting current tax charge for the period**

Tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26.32% (2011 - 28%)

The differences are reconciled below

	52 weeks ended 28 January 2012 £000	52 weeks ended 29 January 2011 £000
Profit on ordinary activities before taxation	27,711	2,680
Corporation tax at standard rate	7,294	750
Dividends income not assessable for tax purposes	(7,294)	(748)
Group relief on imputed interest expense for transfer pricing adjustments	(1,943)	(1,928)
Total current tax	(1,943)	(1,926)

**4 Investments held as fixed assets**

	28 January 2012 £000	29 January 2011 £000
Shares in group undertakings and participating interests	291,450	291,450

**Shares in group undertakings and participating interests**

	Subsidiary undertakings £000
<b>Cost</b>	
At 30 January 2011	291,450
At 28 January 2012	291,450
<b>Net book value</b>	
At 29 January 2011 and 28 January 2012	291,450

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 28 January 2012**  
*..... continued*

**5 Debtors**

	28 January 2012 £000	29 January 2011 £000
Other debtors Group relief receivable	1,943	1,926
	<u>1,943</u>	<u>1,926</u>

**6 Creditors: Amounts falling due after more than one year**

	28 January 2012 £000	29 January 2011 £000
Other loans Amounts owed to group undertakings	269,079	271,005
	<u>269,079</u>	<u>271,005</u>

**7 Share capital**

**Allotted, called up and fully paid shares**

	28 January 2012 £000	29 January 2011 £000
1,450,000 Authorised, issued, and fully paid		
1,450,000 ordinary shares of £1 each	1,450	1,450
	<u>1,450</u>	<u>1,450</u>

**8 Dividends**

	28 January 2012 £000	29 January 2011 £000
<b>Dividends paid</b>		
Dividend paid	27,711	1,529
	<u>27,711</u>	<u>1,529</u>

**QH Partners Limited**  
**Notes to the Financial Statements for the Period ended 28 January 2012**  
*..... continued*

**9 Reserves**

	<b>Profit and loss account £000</b>
At 30 January 2011	20,922
Profit for the period	29,654
Dividends	<u>(27,711)</u>
At 28 January 2012	<u><u>22,865</u></u>

**10 Reconciliation of movement in shareholders' funds**

	<b>52 weeks ended 28 January 2012 £000</b>	<b>52 weeks ended 29 January 2011 £000</b>
Profit attributable to the members of the company	29,654	4,606
Dividends	<u>(27,711)</u>	<u>(1,529)</u>
Net addition to shareholders' funds	1,943	3,077
Shareholders' funds at start of period	<u>22,372</u>	<u>19,295</u>
Shareholders' funds at end of period	<u><u>24,315</u></u>	<u><u>22,372</u></u>

**11 Capital commitments**

The company had no capital commitments at 28 January 2012 or 29 January 2011

**12 Contingent liabilities**

There were no contingent liabilities at 28 January 2012 or 29 January 2011

**QH Partners Limited**  
**Notes to the Financial Statements for the Period ended 28 January 2012**  
*..... continued*

**13 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 £269.0m (2011: £271.0m).

There are no other related party transactions.

**14 Ultimate parent undertaking**

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 Harrods Group (Holding) Limited (formerly Qatar Holding UK Limited). The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) 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 the Qatar Investment Authority, the ultimate controlling party.