

**QH PARTNERS LIMITED
(FORMERLY AIT PARTNERS
LIMITED)**

FINANCIAL STATEMENTS

**For the Period ended
30 JANUARY 2010**

WEDNESDAY



LD4 *LGRXUOLS* 16
27/10/2010
COMPANIES HOUSE

Company no 5961740

QH PARTNERS LIMITED (FORMERLY AIT PARTNERS LIMITED)
FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

INDEX	PAGE
Report of the directors	1 – 2
Report of the independent auditor	3 – 4
Principal accounting policies	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 – 11

QH PARTNERS LIMITED (FORMERLY AIT PARTNERS LIMITED)
REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the period ended 30 January 2010

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 £43.6m (2009 Loss £33.4m). The current year profit arises from the reversal of an exceptional impairment provision charged in 2009 (described in more detail in note 3 to the accounts) and from dividends received from Harrods Holdings Limited. The directors did not pay a dividend during the period (2009 £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 (resigned 03/03/09, re-appointed 09/04/10, resigned 07/05/10)

J Byrne

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)

No director has had a material interest, directly or indirectly, at any time during the period in any contract significant to the business, except as disclosed in note 14.

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.

Statement of directors' responsibilities

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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

Statement of directors responsibilities (continued)

- select suitable accounting policies and then apply them consistently
- make judgements and 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 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 the directors are 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 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
19th October 2010

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

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF QH PARTNERS LIMITED (FORMERLY AIT PARTNERS LIMITED)

We have audited the financial statements of QH Partners Limited (formerly AIT Partners Limited) for the period ended 30 January 2010 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 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 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/UKNP.

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 30 January 2010 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

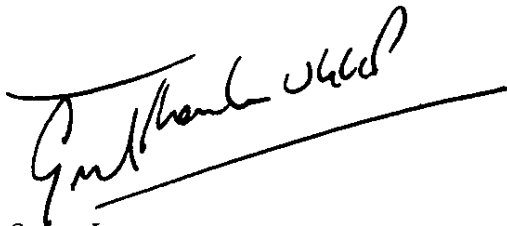
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE AUDITOR TO THE MEMBERS OF
QH PARTNERS LIMITED (FORMERLY AIT 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

21st October 2010

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.

The company's ultimate UK parent Qatar Holding UK Limited (formerly AIT UK Holdings 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 (FORMERLY AIT PARTNERS LIMITED)
PROFIT AND LOSS ACCOUNT

For the period ended 30 JANUARY 2010

		52 weeks ended 30 January 2010 £'000	52 weeks ended 31 January 2009 £'000
	Note		
Administrative expenses	1	(10)	(9)
Exceptional item	3	39,398	(39,398)
Operating profit/(loss)		39,388	(39,407)
Other income	2	2,107	-
Profit/(loss) on ordinary activities before taxation		41,495	(39,407)
Tax on profit/(loss) on ordinary activities	4	2,117	6,009
Profit/(loss) on ordinary activities after taxation	11	43,612	(33,398)

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 (FORMERLY AIT PARTNERS LIMITED)
BALANCE SHEET AT 30 JANUARY 2010

	Note	At 30 January 2010 £'000	At 31 January 2009 £'000
Fixed assets			
Investments	5	<u>291,450</u>	<u>252,052</u>
Current assets			
Debtors	6	2,117	6,011
Cash at bank and in hand		<u>1</u>	<u>1</u>
		<u>2,118</u>	<u>6,012</u>
Creditors: amounts falling due within one year	7	<u>(14)</u>	<u>(5)</u>
Net current assets		<u>2,104</u>	<u>6,007</u>
Total assets less current liabilities		<u>293,554</u>	<u>258,059</u>
Creditors: amounts falling due after more than one year	8	<u>(274,259)</u>	<u>(282,376)</u>
Net assets/(liabilities)		<u><u>19,295</u></u>	<u><u>(24,317)</u></u>
Capital and reserves			
Called up share capital	9	1,450	1,450
Profit and loss account	10	<u>17,845</u>	<u>(25,767)</u>
Shareholders' funds/(deficit)	11	<u><u>19,295</u></u>	<u><u>(24,317)</u></u>

The financial statements were approved by the Board of Directors on **17** October 2010



B Smith - Director

Company registration no 5961740

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

QH PARTNERS LIMITED (FORMERLY AIT PARTNERS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 JANUARY 2010

1 Operating profit/(loss)

No emoluments were paid to the directors of the company during the period (2009 £nil)

The company did not employ any persons or incur any staff costs during the period (2009 £nil)

Profit/(loss) on ordinary activities before taxation is stated after charging £10,551 (2009 £8,629) for auditor's remuneration

2 Other income

	52 weeks ended 30 January 2010 £'000	52 weeks ended 31 January 2009 £'000
Investment income		
Dividends received from group undertakings	<u>2,107</u>	<u>-</u>

3 Exceptional item

	52 weeks ended 30 January 2010 £'000	52 weeks ended 31 January 2009 £'000
Reversal of impairment/(impairment) of minority investment	<u>39,398</u>	<u>(39,398)</u>

The valuation of the company's investment in Harrods Holdings is primarily based on the market valuation of a portfolio of international companies. The market value of those companies fell significantly in 2009 which in turn led to a fall in the value of the company's investment, for which an exceptional impairment charge has been recorded in the prior period. By the end of the financial year under review the directors' estimate of the value of the company's investment in Harrods Holdings Limited indicated that the provision for impairment was no longer warranted and so it has been reversed.

QH PARTNERS LIMITED (FORMERLY AIT PARTNERS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 JANUARY 2010

4 Tax on profit/(loss) on ordinary activities

The tax charge is based on the profit/(loss) for the period and represents

	52 weeks ended 30 January 2010 £'000	52 weeks ended 31 January 2009 £'000
Current tax		
Group relief	2,117	6,009
Total tax credit for the period	<u>2,117</u>	<u>6,009</u>

The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 28% (2009 28.33%)

Profit/(loss) on ordinary activities before tax	<u>41,495</u>	<u>(39,407)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2009 28.33%)	(11,619)	11,163

Effect of

Dividend income not assessable for tax purposes	590	-
Impairment provision not deductible for tax purposes	11,032	(11,161)
Imputed interest expense for transfer pricing adjustments	2,114	6,007
Current tax credit for the period	<u>2,117</u>	<u>6,009</u>

5 Investments included in fixed assets

	Unlisted investments £'000
Cost	
At 1 February 2009 and at 30 January 2010	<u>291,450</u>
Impairment provision	
At 1 February 2009	(39,398)
Write back provision	39,398
At 30 January 2010	<u>-</u>
Net book amount	
At 30 January 2010	<u>291,450</u>
Net book amount	
At 31 January 2009	<u>252,052</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 (FORMERLY AIT PARTNERS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 JANUARY 2010

6 Debtors

	At 30 January 2010 £'000	At 31 January 2009 £'000
Amounts receivable from group undertakings	-	2
Corporation tax receivable	2,117	6,009
	<u>2,117</u>	<u>6,011</u>

7 Creditors: amounts falling due within one year

	At 30 January 2010 £'000	At 31 January 2009 £'000
Accruals	8	5
Amounts owed to group undertakings	6	-
	<u>14</u>	<u>5</u>

8 Creditors: amounts falling due after more than one year

	At 30 January 2010 £'000	At 31 January 2009 £'000
Related party loans	274,259	282,376

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 30 January 2010 £'000	At 31 January 2009 £'000
Authorised, issued and fully paid 1,450,000 ordinary shares of £1 each	1,450	1,450

QH PARTNERS LIMITED (FORMERLY AIT PARTNERS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 JANUARY 2010

10 Reserves

	Profit and loss account £'000
At 1 February 2009	(25,767)
Profit for the period	43,612
At 30 January 2010	<u>17,845</u>

11 Reconciliation of movements in shareholders' funds/(deficit)

	2010 £'000	2009 £'000
Profit /(loss) for the financial period	43,612	(33,398)
Shareholders' (deficit)/surplus at 1 February 2009	<u>(24,317)</u>	9,081
Shareholders' surplus/(deficit) at 30 January 2010	<u>19,295</u>	<u>(24,317)</u>

12 Capital commitments

The company had no capital commitments at 30 January 2010 or 31 January 2009

13 Contingent assets/liabilities

There were no contingent liabilities at 30 January 2010 or 31 January 2009

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 £274.3m (2009 £282.4m)

There are no other related party transactions

15 Controlling related parties

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