QATAR HOLDING UK LIMITED

FINANCIAL STATEMENTS

For the Period ended 29 JANUARY 2011

Company no 5990648

INDEX	PAGE

The directors present their report together with the audited consolidated financial statements for the 52 week period ended 29 January 2011

Principal activities

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

The group operates Harrods, the world-renowned store in Knightsbridge, London Since the store first opened its doors in 1849, Harrods has always prided itself on a reputation for service excellence and for offering the finest quality merchandise London's - and England's - largest department store, Harrods remains the finest, most exciting and most fulfilling place to shop

Other group activities include aviation services business from London's Luton and Stansted airports, concessions at London's Heathrow and Gatwick airports, export of Harrods branded merchandise to overseas department stores and airport terminals, and direct sales via the internet at Harrods com The group also operates in the real estate business through Harrods Estates and operates an insurance broker, Genavco Insurance

Results of ordinary activities before exceptional items

A continued focus on customer service by the excellent Harrods and concession partner teams, coupled with investment in service initiatives - including the benefits offered by the Harrods Rewards loyalty scheme, personal shopping and design services - along with the introduction of exciting new brands and boutiques have kept Harrods at the forefront of luxury retailing in 2010

On top of this, continued significant capital expenditure by Harrods and its partners on the Knightsbridge store has helped to drive this growth Group capital expenditure on fixtures, fittings and equipment in the period totalled £33 1 million (2010 £36 5 million) As in prior years, in addition to this sum Harrods benefited from the value of the very significant spend on shop fittings invested by partner brands

Profit on ordinary activities before exceptional items and tax totalled £83 6 million (2010 £53 4 million)

Principal business risks and uncertainties
The major business risks and uncertainties for the Harrods business relate to

(i) The risk to the business from direct or indirect terrorism, domestic or international

(ii) Reputational risk

(iii) Business continuity plans not working as envisaged

(iv) Unfavourable economic or political conditions in countries of core customers' origin

These risks are monitored regularly by the Directors and plans have been put in place to mitigate them as efficiently as possible Cash and liquidity levels are actively reviewed Disaster recovery plans have been drawn up Significant investment has been incurred – and more is planned – for further improving the Store's security and disaster recovery infrastructure In addition the group works with its internal audit function and with its insurers to identify and mitigate or remedy operational risks on an on-going basis

Profit for the financial period and the dividend and key performance indicators
Turnover for the period to 29 January 2011 totalled £623 2 million (2010 £551 4 million)

Operating profit for the group before exceptional items for the period ending 29 January 2011 amounted to £84 2 million (2010 £56 2 million)

There was a profit for the period after taxation amounting to £56 6 million (2010 £35 0 million) The company did not pay a dividend in the period (2010 £nil)

Directors

The membership of the Board is set out below All served on the Board throughout the period 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)
A Armstrong (appointed 07 05 10, resigned 28 06 10)
M Ward
B Smith
A M Al-Sayed (appointed 07 05 10)
K Al-Kuwari (appointed 07 05 10)
H Al-Abdulla (appointed 07 05 10)
K Maamria (appointed 08 07 10)
His Excellency Sheikh Hamad Bin Jassim Bin Jaber Al Thani (appointed 12 10 10)

Credit risk

Due to the nature of the Group's operations, exposure to credit risk from trading is not considered to be material

The group has a significant loan to a related party, Harrods Property Limited, amounting to £286 5 million (2010 £286 3 million) This loan has been assessed by the Directors as recoverable (note 26)

Currency risk

The group is exposed to foreign exchange risk on overseas purchasing, but only approximately 10 4% (2010 11 5%) of the group's purchases are contracted in a foreign currency Transaction exposures are hedged partially using forward currency contracts or currency options, up to one year in advance Additionally, the group accepts foreign currency in the Knightsbridge store and airport outlets and retains this currency to settle foreign currency obligations

Employee involvement

Information is provided regularly by means of normal management communication channels using written material, face-to-face meetings and team presentations

Consultation with employees takes place through staff committees, health and safety committees and through normal recognised trade union channels Employees are made aware of their contribution to the group through team meetings and updates as well as through individual performance appraisals

Disabled persons

It is the policy of the group to give full and fair consideration to applications for employment from disabled persons, to continue wherever possible the employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons

Donations

The charitable donations made and charged in the financial statements amounted to £0 3 million (2010 £1 0 million) In addition, during the period the group supported various charities by hosting fundraising events within the Harrods store in Knightsbridge There were no political donations

Payment of creditors
It is the group's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the group's policy is to pay suppliers within 30 days after the end of the month of receipt of goods or services At period end the number of days payable outstanding was 37 days (2010 41 days) Creditor days for the company have not been shown as there are no trade creditors

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

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

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QATAR HOLDING UK LIMITED

We have audited the financial statements of Qatar Holding UK Limited for the period ended 29 January 2011 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the group statement of total recognised gains and losses and notes 1 to 27 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 page 4, 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 group's and the parent company's affairs as at 29 January 2011 and of the group's 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

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QATAR HOLDING UK 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Grant Thornton UK LLP

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 comply with applicable United Kingdom accounting standards

The group has a deficit of shareholders funds at 29 January 2011 The directors consider it appropriate for these financial statements to be prepared on a going concern basis as the company's parent undertaking has indicated that it will not call for repayment of the shareholder loan of £848 2m without first ensuring that the group has adequate funds to meet its obligations as they fall due

The principal accounting policies of the group are set out below

Basis of consolidation
The consolidated financial statements include the results of the company and its subsidiary undertakings

Goodwill arising on consolidation, representing the cost of an acquired entity over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated economic life

Given the uniqueness and longevity of the Harrods store and brand, backed up by the high level of on going investment, marketing spend and the long lease of the iconic Harrods building in Knightsbridge, the directors believe that a longer rather than a shorter period of time over which to amortise the goodwill on consolidation is more appropriate for the purpose of giving a true and fair view of the results and performance of the group While no end to the useful economic life of the group's investment in Harrods companies can be predicted, the directors have opted to amortise the goodwill on consolidation over 50 years rather than adopt the UK GAAP presumption of a maximum useful economic life of 20 years

Harrods Bank Limited, a company registered in England and Wales, has been accounted for as an unlisted investment, due to its having independent management and control (in accordance with Bank of England direction in 1991), although the group continues to retain 100% ownership through non-voting shares

Turnover
Turnover is the total amount receivable by the group for goods and services provided, excluding VAT, trade discounts and concession sales When a transaction involves a number of goods and services, these are separately identified and income is recognised when earned

Concession sales
In calculating turnover, a distinction is made between transactions where the seller is deemed to act as principal and those where it is agent Where concessionaires sell their goods through the group's retail operations, the group is considered to act as an agent Accordingly, only commission and other income receivable from the concessionaires is presented within turnover

Estimated sales returns
Turnover excludes the sales value of estimated returns The group has recognised a provision for estimated refunds, representing the estimate of the value of goods sold during the period which will be returned and refunded after the year end date

Tangible fixed assets and depreciation
All tangible fixed assets are stated at cost less accumulated depreciation Fit out expenditure is stated net of supplier and concession contributions where relevant

Depreciation is provided by the group and the company in order to write down to estimated residual value (if any) the cost of tangible fixed assets over their estimated useful economic lives by equal annual instalments, as follows

Land	Not depreciated
Freehold and long leasehold properties	35 - 50 years
Short leasehold property	Remaining period of lease
Fixtures and fittings	3 - 20 years
Vehicles and equipment	4 - 7 years

Assets in the course of construction are not depreciated

Fixed asset investments
The group accounts for its fixed asset investments at cost less any provision required for permanent diminution in value

Leased assets
Rentals payable under operating leases are charged to the profit and loss account on a systematic basis over the lease term

Finance leases
Assets held under finance leases are capitalised in the balance sheet and depreciated over their useful economic lives The interest element of leasing payments represent a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease

Stocks
Stocks are stated at the lower of cost and net realisable value using weighted average cost

Deferred taxation
Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

Deferred tax relating to defined benefit pension scheme surpluses or deficits is netted against the respective retirement benefit surplus or obligation

Foreign currency
Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date or at contracted forward rates Transactions in foreign currency are translated at exchange rates ruling at the transaction date or at contracted forward rates Realised gains and losses are dealt with in the profit and loss account

Loyalty points

Loyalty points are treated as a deduction in sales as part of the fair value of consideration received is deferred and subsequently recognised when the award is redeemed The fair value of the points awarded is determined with reference to the fair value of the customer redemption rate In the prior year, loyalty points were accounted for using a cost based model and the effect of the change has been disclosed in note 3

Retirement benefit obligations

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period

Defined Benefit Scheme

Certain group employees are members of the Harrods Group Pension Plan under which retirement benefits are funded by contributions from the group Payment is made to the pension trust, which is separate from the group, in accordance with calculations made periodically by consulting actuaries

Scheme assets are measured at fair values Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet

A net surplus is recognised only to the extent that it is recoverable by the group The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the current service cost of providing the benefits, curtailment and settlement gains and losses and financial returns on the pension fund, all reflected in the period to which they relate The current service cost and costs from settlements and curtailments are charged against operating profit Past service costs are spread over the period until the benefit increases vest Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs Actuarial gains and losses are recorded through the statement of recognised gains and losses Disclosure has been made of the assets and liabilities of the scheme under FRS 17 in note 24 to the accounts

For the period ended 29 JANUARY 2011

		52 weeks ended 29 January 2011			52 weeks ended 30 January 2010		
	Note	Ordinary activities before exceptional items £m	Exceptional Items (Note 3) £m	Total £m	Ordinary activities before exceptional items £m	Exceptional Items (Note 3) £m	Total £m
Turnover	1	623.2	-	623.2	551 4	-	551 4
Cost of sales		(278.7)	(1.3)	(280.0)	(238 3)	(1 2)	(239 5)
Gross profit		344.5	(1 3)	343.2	313 1	(1 2)	311 9
Distribution and store costs		(225 0)	(1 5)	(226.5)	(222 9)	(1 2)	(224 1)
Administrative expense		(48 2)	-	(48.2)	(46 5)	-	(46 5)
Other income	2	12 9	-	12.9	12 5	-	12 5
Operating profit/(loss)	2, 3	84 2	(2 8)	81.4	56 2	(2 4)	53 8
Loss on disposal of fixed assets	3	-	(2.6)	(2 6)	-	(0 3)	(0 3)
Profit/(loss) on ordinary activities before interest		84 2	(5.4)	78 8	56 2	(2 7)	53 5
Net interest	4	(0 6)	-	(0.6)	(2 8)	-	(2 8)
Profit/(loss) on ordinary activities before taxation		83.6	(5.4)	78.2	53 4	(2 7)	50 7
Tax on profit/(loss) on ordinary activities	6	(23 4)	1 8	(21 6)	(16 4)	0 7	(15 7)
Profit/(loss) ordinary activities after taxation	18,19	60 2	(3.6)	56.6	37 0	(2 0)	35 0

All transactions arise from continuing operations

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

	Note	Consolidated At 29 January 2011 £m	Consolidated At 30 January 2010 £m	Company At 29 January 2011 £m	Company At 30 January 2010 £m
ASSETS					
Fixed assets					
Intangible assets	9	**486.9**	497 3	**-**	-
Tangible assets	10	**120 6**	109 3	**-**	-
Investments	11	**8.2**	7 7	**39.2**	39 2
		615.7	614 3	**39.2**	39 2
Current assets					
Stocks	12	**67.1**	62 7	**-**	-
Debtors due within one year	13	**36 0**	39 4	**-**	-
Debtors due after more than one year	13	**290 0**	289 1	**-**	-
Cash at bank and in hand		**133.0**	97 5	**-**	-
		526.1	488 7	**-**	-
		1,141.8	1,103 0	**39.2**	39 2
LIABILITIES					
Capital and reserves					
Called up share capital	17	**39.2**	39 2	**39 2**	39 2
Profit and loss account	18	**(223.0)**	(272 3)	**(0.1)**	(0 1)
	19	**(183.8)**	(233 1)	**39 1**	39 1
Retirement benefit obligation	24	**-**	10 8	**-**	-
Provisions for liabilities	16	**7 1**	4 7	**-**	-
Creditors: amounts falling due within one year					
Shareholder loan		**848.2**	856 7	**-**	-
Other creditors falling due within one year		**167.3**	148 7	**0 1**	0 1
	14	**1,015 5**	1,005 4	**0.1**	0 1
Creditors: amounts falling due after more than one year	15	**303.0**	315 2	**-**	-
		1,141.8	1,103 0	**39 2**	39 2

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

Benedict Smith

B Smith - Director

Company registration no 5990648

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

QATAR HOLDING UK LIMITED
CONSOLIDATED CASH FLOW STATEMENT

For the period ended 29 JANUARY 2011

	Note	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Net cash inflow from operating activities before payments toward retirement benefit obligations		**114.2**	78 2
Payments towards retirement benefit obligations	24	**(27.1)**	(30 6)
Net cash inflow from operating activities	20	**87.1**	47 6
Returns on investments and servicing of finance			
Interest received		**1.3**	2 3
Interest paid		**(1.9)**	(4 3)
Net cash outflow from returns on investments and servicing of finance		**(0.6)**	(2 0)
Taxation paid		**(12.8)**	(3 8)
Capital expenditure and financial investment			
Purchase of investments		**(0 5)**	-
Purchase of tangible fixed assets		**(32.5)**	(23 5)
Repayment of loans to related parties		**(3 0)**	(2 4)
Net cash outflow from capital expenditure and financial investment		**(36.0)**	(25 9)
Financing			
Repayment of borrowings		**(2.2)**	(1 0)
Net cash outflow from financing	21	**(2.2)**	(1 0)
Increase in cash	21,22	**35.5**	14 9

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

Group Statement of Total Recognised Gains and Losses

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Profit for the financial period	**56.6**	35 0
Actuarial losses on pension scheme	**(9.9)**	(33 7)
Deferred tax movement on actuarial gains and losses on pension scheme	**2.6**	9 4
Total recognised gains and losses for the period	**49.3**	10 7

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

1 Turnover and segmental analysis

Business segments

	52 weeks ended 29 January 2011			52 weeks ended 30 January 2010		
	Retailing £m	**Aviation services £m**	**Total £m**	Retailing £m	Aviation services £m	Total £m
Turnover	**587 4**	**35.8**	**623.2**	521 5	29 9	551 4
Operating profit/(loss)	**83.9**	**(2 5)**	**81.4**	57 8	(4 0)	53 8
Gain/(loss) on disposal of fixed assets	**(2.6)**	**-**	**(2.6)**	(0 3)	-	(0 3)
Net interest	**0 9**	**(1 5)**	**(0 6)**	(1 0)	(1 8)	(2 8)
Profit/(loss) before taxation	**82.2**	**(4 0)**	**78 2**	56 5	(5 8)	50 7

Geographical analysis

	Turnover by destination	
	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
United Kingdom	**591.3**	530 4
Rest of Europe	**9 2**	8 3
Japan	**3.1**	2 5
North America	**8.1**	4 6
Other overseas destinations	**11.5**	5 6
	623.2	551 4

Turnover by destination and origin are not materially different

2 Operating profit

The operating profit is stated after

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Depreciation on tangible fixed assets owned	18 4	17 3
Depreciation on tangible fixed assets acquired through finance lease	0.3	-
Amortisation of goodwill	10.4	10 3
Rentals paid under operating leases		
Property rent paid to a related party	41.2	43 2
Property rent – other	3.9	2 5
Plant and machinery	0.9	0 7
Total exceptional items (note 3)	2.8	2 4
Loss / (Gains) on foreign exchange	0.3	(0 4)
Assignment aircraft position	-	(1 1)
Royalty (income)	(1.8)	(1 2)

Other income of £12 9m (2010 £12 5m) mainly comprises marketing and advertising income as well as royalty income

During the period, the group obtained the following services from the group's auditors

	52 weeks ended 29 January 2011 £'000s	52 weeks ended 30 January 2010 £'000s
Fees payable for the audit of the company's financial statements	48 2	47 7
Fees payable for other services		
- audit of subsidiary undertakings	378 0	370 1
- taxation services	-	-
- other services	29.9	7 3

3 Exceptional items

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Pre operating profit/(loss)		
Gain realised on sale of Harrods distribution centre	11 2	-
Costs incurred as part of the sale of the Harrods Group	(4.8)	-
Cost arising due to planned closure of Harrods distribution centre	(3 6)	-
Change in basis for estimating the cost of Reward Card loyalty points	(3 1)	-
Repairs to historic terracotta façade	(1.2)	(1 2)
Onerous lease provision (note 16)	(1.3)	(1 2)
	(2.8)	(2 4)
Post operating profit/(loss)		
Loss on disposal of fixed assets	(2 6)	(0 3)
	(2 6)	(0 3)

4 Net interest

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Interest payable.		
Bank loans and overdrafts	(0.1)	(0 1)
Loan from related parties	(1 5)	(1 3)
Other finance income (FRS17, note 24)	-	(2 1)
Gain on revaluation of US Dollar denominated deposits	-	(0 3)
Other	(0.3)	(0 2)
	(1.9)	(4 0)
Interest receivable:		
Loan to related parties	-	0 5
Cash and bank balances	1.2	0 7
Other	0.1	-
	1.3	1 2
Net interest payable	(0 6)	(2 8)

5 Directors and employees

Group staff costs during the period were as follows·

	52 weeks ended 29 January 2011 £m	52 Weeks ended 30 January 2010 £m
Wages and salaries	**123.8**	114 5
Social security costs	**12.3**	12 1
Other pension costs	**3.8**	3 7
	139.9	130 3

The average number of employees of the group during the period was

	52 weeks ended 29 January 2011 Number	52 weeks ended 30 January 2010 Number
Production	**557**	573
Selling and distribution	**2,909**	2,815
Administration	**209**	234
	3,675	3,622

In addition, the group employed an average of 34 (2010 38) agency staff during the period at a cost of £0 5 million (2010 £0 7 million)

The company had no employees except for directors during the period ended 29 January 2011 or 30 January 2010

Remuneration in respect of directors was as follows

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Emoluments	**4.1**	2 6

There are no pension contributions included in emoluments for the period ended 29 January 2011 or 30 January 2010 The value of emoluments incurred directly by the company was £nil (2010 £nil) Emoluments incurred by the group's subsidiary undertakings were £4 1 million (2010 £2 6 million)

There are nil directors to whom retirement benefits are accruing under a defined benefit pension scheme (2010 2) and 1 directors to whom retirement benefits are accruing under a defined contribution scheme (2010 2)

In addition to the amounts above, an amount of £0 7m was paid during the period to a former director as compensation for loss of office (2010 £1 4m)

Directors and employees (continued)

The amounts set out above include remuneration in respect of the highest paid director as follows

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Emoluments	2 2	1 4

The highest paid directors' accrued pension at the period end was £nil (2010 £nil)

6 Tax on profit on ordinary activities

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

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Current tax		
Current tax charge	(12 5)	(7 0)
Group relief with related party	(2.7)	(3 4)
Over provision in respect of prior years	0.8	0 6
Total current tax	(14.4)	(9 8)
Deferred tax		
Origination and reversal of timing differences	0.4	(0 2)
Accelerated capital allowances	0 6	3 1
Deferred tax on defined benefit scheme	(8 2)	(8 8)
Total tax charge for the period	(21.6)	(15 7)

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Factors affecting current period corporation tax		
The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 28% (2010 28%) for the following reasons		
Profit on ordinary activities before tax	78.2	50 7

Tax on profit on ordinary activities (continued)

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2010 28%)	(21 9)	(14 2)
Effect of		
Expenses not deductible for tax purposes	(0.5)	(3 1)
Capital allowances in excess of depreciation	(0 2)	(0 4)
Transfer pricing adjustments	(0 6)	(1 2)
Income and expenses assessed on a cash basis	8.0	8 5
Over provision in respect of prior years	0.8	0 6
Current tax charge for the period	(14.4)	(9 8)

7 Company profit and loss account

As permitted by section 408 of the Companies Act 2006 the profit and loss account of Qatar Holding UK Limited is not presented as part of these financial statements The result for the period after taxation amounted to nil (2010 £39 1 million profit)

8 Dividends

The company did not pay a dividend during the periods ended 29 January 2011 or 30 January 2010

9 Intangible Assets

Consolidated Goodwill

	2011 £m
Cost	
At 31 January 2010	798 9
Additions	-
At 29 January 2011	798.9
Amortisation and Impairment	
At 31 January 2010	(301 6)
Amortisation in the period	(10 4)
At 29 January 2011	(312.0)
Net book amount at 29 January 2011	486.9
Net book amount at 30 January 2010	497 3

Intangible assets (continued)
Given the uniqueness and longevity of the Harrods store and brand the Group has adopted an economic life of goodwill of 50 years

As required by FRS 11, an impairment review of goodwill capitalised has been undertaken by the group which confirms the appropriateness of the carrying value

10 Tangible fixed assets

Consolidated

	Freehold property £m	Long Leasehold property £m	Short leasehold property £m	Fixtures, fittings, vehicles and equipment £m	Total £m
Cost					
At 31 January 2010	2 0	0 4	17 2	273 2	292 8
Additions	-	-	-	33 1	33 1
Disposals	-	-	(0 6)	(9 5)	(10 1)
Other adjustment	-	-	-	(0 5)	(0 5)
At 29 January 2011	**2.0**	**0 4**	**16.6**	**296.3**	**315 3**
Accumulated depreciation					
At 31 January 2010	0 3	0 1	4 5	178 6	183 5
Provided in the period	-	-	0 9	17 8	18 7
Disposals	-	-	(0 6)	(6 9)	(7 5)
At 29 January 2011	**0 3**	**0 1**	**4.8**	**189.5**	**194.7**
Net book amount at 29 January 2011	**1 7**	**0.3**	**11.8**	**106.8**	**120 6**
Net book amount at 30 January 2010	1 7	0 3	12 7	94 6	109 3

The figures stated above include assets held under finance leases as follows

	£m	£m	£m	£m	£m
Net book amount at 29 January 2011	-	-	-	7 0	7.0
Net book amount at 30 January 2010	-	-	-	4 8	4 8

Included in the cost element of fixtures, fittings, vehicles and equipment above is £17 4 million representing the cost of unfinished projects at the period end (2010 £15 4 million)

Tangible fixed assets (continued)

Netted off the cost of fixed assets are accumulated supplier and concession contributions amounting to £11 9m at the period end (2010 £9 4m) Of this amount, £5 4m (2010 £5 6m) had been taken to the profit and loss account by way of a reduction to accumulated depreciation

Company
The Company has no tangible fixed assets

11 Fixed asset investments

Consolidated

	Unlisted investments £m
Cost	
At 31 January 2010	7 7
Additions	0 5
At 29 January 2011	8.2
Provision	
At 31 January 2010 and at 29 January 2011	-
Net book amount at 29 January 2011	8.2
Net book amount at 30 January 2010	7 7

Company

	Investment in Subsidiaries £m
Cost	
At 31 January 2010 and at 29 January 2011	39 2
Provision	
At 31 January 2010 and at 29 January 2011	-
Net book amount at 29 January 2011	39 2
Net book amount at 30 January 2010	39 2

Fixed asset investments (continued)

Unlisted investments

Through its acquisition of the Harrods Holdings Group, the group acquired 100% ownership of Harrods Bank Limited, a company registered in England and Wales The company has been accounted for as an unlisted investment due to its having independent management and control (in accordance with Bank of England direction in 1991), although the group continues to retain 100% ownership through non-voting shares

At 29 January 2011, the aggregate capital and reserves of Harrods Bank Limited was £7 5m (2010 £7 6m) and the loss for the period ended 29 January 2011 was £0 6m (2010 £0 3m)

Principal subsidiaries

Operating at 29 January 2011	Country of registration	Principal activity
QH Participations Limited (formerly AIT Participations Limited)*	England and Wales	Holding company
QH Partners Limited (formerly AIT Partners Limited)	England and Wales	Holding company
Harrods Holdings Limited	England and Wales	Holding company
Harrods (UK) Limited	England and Wales	Holding company
Harrods Limited	England and Wales	Department store
Harrods Card Handling Company Ltd	England and Wales	Merchant card handling
Harrods (Continental) Limited	England and Wales	Exporter
Harrods International Limited	England and Wales	Tax free retailer and wholesaler
Harrods Estates Limited	England and Wales	Estate agents
Harrods Watches Limited	England and Wales	Purchasing Company
PL Management Limited	England and Wales	Property management
Harrods Services Limited	England and Wales	Security staff agency
Genavco Insurance Limited	England and Wales	Insurance broker
Featurecode 2A	England and Wales	Non-trading
Featurecode 2A Holdings	England and Wales	Non-trading
QH Enterprises Holdings Limited (formerly AIT Enterprises Holdings Limited)*	England and Wales	Holding company
QH Enterprises Limited (formerly AIT Enterprises Limited)	England and Wales	Holding company
Air Harrods Limited	England and Wales	Non-scheduled air transport
Harrods Aviation Limited	England and Wales	Aircraft handling and maintenance service
Harrods Aviation Holdings Limited	England and Wales	Holding company
Harrods Leisure Holdings Limited	England and Wales	Holding company
Harrods Leisure Limited	Isle of Man	Non-trading

*The whole of the issued ordinary share capital in these companies is owned directly by Qatar Holding UK Limited The whole of the ordinary share capital in the other companies is held by intermediate holding companies All subsidiary undertakings are wholly owned (100% ordinary shares with voting rights) and are included within the consolidated financial statements

12 Stocks

	Consolidated		Company	
	29 January 2011	30 January 2010	**29 January 2011**	30 January 2010
	£m	£m	**£m**	£m
Finished goods for resale	**66 2**	61 8	-	-
Spare parts and consumables	**0.8**	0 8	-	-
Work in progress	**0 1**	0 1	-	-
	67.1	62 7	-	-

Of the £66 2m goods held for re-sale, a lien over inventory of £58 0m (2010 £50 1m) has been granted to the trustee of the group's defined benefit pension scheme

13 Debtors

	Consolidated		Company	
	29 January 2011	30 January 2010	**29 January 2011**	30 January 2010
	£m	£m	**£m**	£m
Amounts due within one year:				
Trade debtors	**21.6**	19 9	-	-
Loans to related parties	**0.4**	3 4	-	-
Other debtors	**1.7**	3 9	-	-
Prepayments and accrued income	**12.3**	12 2	-	-
	36 0	39 4	-	-
Amounts due after more than one year.				
Deferred tax on retirement benefits	**0 8**	-	-	-
Prepayments and accrued income	**2 7**	2 8	-	-
Loans to related parties	**286 5**	286 3	-	-
	290.0	289 1	-	-

As detailed in note 26, Harrods Limited, a group company, has made a loan to Harrods Property Limited, which is under the common control of the group's ultimate parent undertaking The debt is non-interest bearing and is repayable on demand by the lender As at 29 January 2011, the balance outstanding was £286 5 million (2010 £286 3 million) For the purposes of the group's tax calculation, an imputed interest charge is recognised as a non-cash transfer

14 Creditors: amounts falling due within one year

	Consolidated		Company	
	29 January 2011 £m	31 January 2010 £m	29 January 2011 £m	31 January 2010 £m
Trade creditors	80.8	72 6	-	-
Accruals and deferred income	59 1	54 2	0.1	0 1
Other creditors	11.7	6 9	-	-
Corporation tax	5 8	6 1	-	-
Social security and other taxes	8 2	7 3	-	-
Finance Lease	0.8	-	-	-
Secured Borrowings	0 6	0 7	-	-
Bank overdraft	-	0 6	-	-
Bank loans	0.3	0 3	-	-
	167 3	148 7	0.1	0 1
Shareholder loan	848 2	856 7	-	-
	1,015.5	1,005 4	0.1	0 1

The shareholder loan is non-interest bearing and is repayable upon demand by the lender

On 1 April 2011, the shareholder loan was refinanced through a new long term shareholder loan of £848 2 million, one tranche of which being interest bearing on normal market terms and the second tranche being interest free

15 Creditors: amounts falling due after more than one year

	Consolidated		Company	
	29 January 2011 £m	31 January 2010 £m	29 January 2011 £m	31 January 2010 £m
Amounts owed to related parties	295 7	297 3	-	-
Bank loans (secured)	1 4	1 7	-	-
Secured borrowings	-	0 5	-	-
Amounts in relation to Finance Leases	5 9	4 8	-	-
Accruals and deferred income	-	10 9	-	-
	303.0	315 2	-	-

As detailed in note 26, the group has been granted loans from related parties, under the common control of the group's ultimate parent undertaking

During the period, Harrods Limited entered into a seven year finance lease agreement to finance the acquisition of certain fixed assets amounting to £7 3m At period end, the balance due under the agreement was £6 7m The final repayment is due in June 2017

16 Provisions for liabilities

Consolidated

	Closure of distribution centre £m	Deferred taxation £m	Onerous lease £m	Total £m
Balance at 31 January 2010	-	2 0	2 7	4 7
Provided for in the period	3 6	-	1 3	4 9
Released in the period	-	(1 0)	(1 5)	(2 5)
Balance at 29 January 2011	**3 6**	**1.0**	**2 5**	**7 1**

	Deferred taxation £m
Accelerated capital allowances	0.6
Other timing differences	0.4
Balance at 29 January 2011	**1 0**

During the year a provision was made to cover the estimated cost of future rental liabilities of a helicopter lease which in the Directors' view represents an onerous contract The total provision represents the best estimate of future minimum rental liabilities through to an estimated date of the obligation ceasing, either by lease cancellation following a disposal or sub-lease to a third party

Company
There are no provisions for liabilities held in the company's accounts as at 29 January 2011 or 30 January 2010

17 Called up share capital

	Consolidated		Company	
	29 January 2011 £	31 January 2010 £	**29 January 2011 £**	31 January 2010 £
Authorised				
39,215,000 ordinary shares of £1 each	**39,215,000**	39,215,000	**39,215,000**	39,215,000
Allotted and fully paid				
39,215,000 ordinary shares of £1 each	**39,215,000**	39,215,000	**39,215,000**	39,215,000

18 Reserves

	Consolidated		Company	
	29 January 2011 £m	31 January 2010 £m	**29 January 2011 £m**	31 January 2010 £m
Profit and loss account				
Balance at 31 January 2010	**(272 3)**	(283 0)	**(0 1)**	(39 2)
Actuarial loss on pension scheme	**(7 3)**	(24 3)	-	-
Profit for the period	**56.6**	35 0	-	39 1
Balance at 29 January 2011	**(223.0)**	(272 3)	**(0 1)**	(0 1)

19 Reconciliation of movements in shareholders' deficit

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Profit after tax for the financial period	**56.6**	35 0
Retained profit for the period	**56.6**	35 0
Actuarial loss on pension scheme	**(7.3)**	(24 3)
Shareholders' deficit at 30 January 2010	**(233.1)**	(243 8)
Shareholders' deficit at 29 January 2011	**(183.8)**	(233 1)

20 Net cash inflow from continuing operating activities

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Operating profit	**81.4**	53 8
Depreciation and amortisation	**29.0**	27 6
Pension contribution	**(27.1)**	(30 8)
Increase in stock	**(4 4)**	(11 5)
Decrease in debtors	**3 6**	3 0
Increase in creditors	**5 4**	4 9
Other	**(0.8)**	0 6
Net cash flow from operating activities	**87 1**	47 6

21 Reconciliation of net cash flow to movement in net debt

	52 weeks ended 29 January 2011 £m	52 weeks ended 30 January 2010 £m
Increase in cash in the period	**35.5**	14 9
Inception of finance lease	**(2 6)**	(4 8)
Cash outflow from financing	**2 2**	1 0
Decrease in net debt from cash flows	**35.1**	11 1
Decrease in amounts owed to related party	**11 7**	13 7
Movement in net debt in the period	**46 8**	24 8
Other non cash charges	**(1.5)**	(2 6)
Net debt at 31 January 2010	**(1,065 0)**	(1,087 2)
Net debt at 29 January 2011	**(1,019 7)**	(1,065 0)

22 Analysis of changes in net debt

	At 31 Jan 2010 £m	Cash flow £m	Non cash items £m	At 29 Jan 2011 £m
Cash at bank and in hand	97 5	35 5	-	**133.0**
Finance leases	(4 8)	0 7	(2 6)	**(6.7)**
Amounts owed to related parties	(1,154 0)	11 7	(1 5)	**(1,143.8)**
Bank loan	(2 6)	0 9	-	**(1.7)**
Secured and other borrowings	(1 1)	0 6	-	**(0.5)**
	(1,065 0)	49 4	(4 1)	**(1,019.7)**

Non cash items primarily relate to loans obtained from related parties and the inception of new finance leases

Commitments
At 29 January 2011, the group had the following capital commitments -

	Consolidated 29 January 2011 £m	Consolidated 30 January 2010 £m	Company 29 January 2011 £m	Company 30 January 2010 £m
Contracted but not provided for	**13.9**	20 7	**-**	-

There were no other capital commitments at 29 January 2011 or 30 January 2010

Other Commitments
At 29 January 2011 the group had commitments under concession agreements with the British Airport Authority which were contracted for but not provided for in these financial statements of £4 5m (2010 £2 7m) as at the period end

23 Contingent assets/liabilities

The group participated in derivative financial instruments during the period to manage its foreign exchange exposure to the Euro and the US dollar Through its hedging activities the group seeks to minimise the risk that eventual cash flows required to settle related liabilities will be affected by changes in exchange rates The exposure on outstanding forward foreign exchange contracts at the period end was £27 5m (2010 £26 2m) and their fair value was £0 3m (2010 £0 3m) based on exchange rates prevailing at the period end

The group is not aware of any material contingent liabilities existing at the balance sheet date The group is involved in litigation in the ordinary course of business However, in the opinion of the directors, no material losses in excess of provisions made are likely to arise

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

24 Retirement benefit obligations

During the period the group principally operated two schemes

(i) the Harrods Retirement Savings Plan ("the Stakeholder Scheme"), which is an approved defined contribution scheme, managed by Fidelity International
(ii) the Harrods Group Pension Plan ("the Plan"), which is an approved defined benefit scheme

Stakeholder scheme
The pension cost under the defined contribution scheme amounted to £3 7m (2010 £3 4m) No pension accrual (2010 £nil) is included in the balance sheet in relation to this scheme

Defined Benefit Pension Scheme ("the Plan")
An actuarial valuation of the Plan as at 5 April 2009 on a Scheme Specific Funding basis was carried out by the Scheme Actuary The deficit on this basis was £103 0 million as at 5 April 2009 An updated funding position at 31 December 2009 revealed a shortfall in assets of £88 million, on which a recovery plan was based as agreed with the Plan Trustees

In order for the Plan to be fully funded by 31 January 2014, the Trustees and Principal Employer agreed the following on 25 August 2010

- Monthly contributions for the remainder of the year totaling £14m per annum with effect from April 2010
- Annual contributions totaling £14m per annum payable in each of January 2011, January 2012, January 2013 and January 2014
- Plan expenses (including any insurance premiums and PPF levies) of £1m per annum to continue to be met by the Employers

Recognising the risks inherent in the performance of the financial markets during the seven year deficit correction period, the principal employer has also agreed to fund any deficits outside an agreed tolerance band during this period

During the period ended 29 January 2011, the participating employers made total contributions to the plan of £31 6m (2010 £31 4m)

The funding position of the Plan is monitored by the Trustee and the Harrods Group on a quarterly basis and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004

The UK Government announced on 8 July 2010 that statutory pension increases or revaluations would be

Retirement benefits obligations (continued)

based on the Consumer Price Index (CPI) measure of price inflation from 2011, rather than RPI

Based on legal advice received by the Plan's Trustees and the wording in the Plan's Trust Deed and Rules, future revaluation in deferment will be based on the CPI index from 2011 However, increases to pensions in payment continue to be linked to RPI, subject to limits specified in the Plan's Trust Deed and Rules

The impact on the plan's obligations as a result of the move from RPI to CPI for future revaluation of deferred pensions was a gain of £13 0m (2010 £nil) and is included in the actuarial gain for the year ending 29 January 2011

Financial Reporting Standard 17 Disclosures
Mercer, the actuaries and administrators to the plan, as appointed by the Pension Trustees, carried out a valuation of the plan's assets and liabilities

The major assumptions used by the actuary were

	29 January 2011	30 January 2010
Discount rate	5.6%	5 6%
Inflation assumption	3.6%	3 6%
Rate of increase in salaries	n/a	n/a
Rate of pension increases in deferment	3.1%	3 6%
Rate of pension increases (LPI 5%)	3.4%	3 4%
Rate of pension increases (LPI 2 5%)	2 3%	2 3%
Longevity at age 60 for current pensioners		
- Men	28 1	26 9
- Women	30 8	29 8
Longevity at age 60 for future pensioners		
- Men	31.3	28 0
- Women	34 0	30 8

The market value of the assets in the Plan, the expected long-term rate of return from them and the present value of Plan liabilities, all as defined in accordance with FRS17 and valued by the qualified independent actuary were as follows

	As at 29 January 2011		As at 30 January 2010	
	£m	Expected long-term rate of return % per annum	£m	Expected long-term rate of return % per annum
Equities	135 0	7 6%	113 7	7 6%
Corporate bonds	74 1	5 4%	58 7	5 4%
Government bonds	53 1	4 1%	50 4	4 1%
Total return investments	61 4	7 6%	54 2	7 6%
Other	1 7	4 0%	1 0	4 0%
Cash	68 8	4 0%	59 3	4 0%
Total asset held by the Plan	394 1	6 1%	337 3	6 1%
Present value of plan liabilities	(372 7)		(354 5)	
Surplus/(Deficit) in the Plan	21 4		(17 2)	
Irrecoverable surplus	(21 4)		-	
Deficit recognised in balance sheets	-		(17 2)	
Related deferred tax asset	-		6 4	
Net pension asset/(liability)	-		(10 8)	

Retirement benefits obligations (continued)

Analysis of amounts charged to operating profit	29 January 2011 £m	30 January 2010 £m
Current service cost	-	-
Effect of curtailments or settlements	-	-
Total operating credit	-	-

Analysis of amounts included as other finance (income)/costs	29 January 2011 £m	30 January 2010 £m
Expected return on pension plan assets	(19.9)	16 4
Interest cost on pension plan liabilities	19.9	(18 5)
Net financial costs	-	(2 1)

Analysis of amounts recognised in statement of total recognised gains and losses	29 January 2011 £m	30 January 2010 £m
Actuarial gains/(losses) immediately recognised	11.5	(33 7)
Effect of surplus cap	(21 4)	-
Actuarial loss recognised in statement of total recognised gains and losses	(9 9)	(33 7)

Changes in the benefit obligation during the period were as follows·	29 January 2011 £m	30 January 2010 £m
Benefit obligation at beginning of period	354.4	280 9
Interest cost	19.9	18 5
Actuarial losses	1.4	64 8
Benefits paid	(12.7)	(9 7)
Transfers	9.7	-
Benefit obligation at end of period	372.7	354 5

Changes in the plan assets during the period were as follows.	Period to 29 January 2011 £m	Period to 30 January 2010 £m
Fair value of plan assets at beginning of period	337.2	268 9
Expected return on plan assets	19.9	16 4
Actuarial gains	12.9	31 0
Transfers	9.7	-
Employer contribution	27.1	30 6
Benefits Paid	(12 7)	(9 7)
Fair value of plan assets at end of period	394.1	337 2

Retirement benefit obligations (continued)

	Period to 29 January 2011 £m	Period to 30 January 2010 £m
Actual return on plan assets	28 8	47 5

History of experience gains and losses

	29 January 2011 £m	29 January 2011 %	30 January 2010 £m	30 January 2010 %	31 January 2009 £m	31 January 2009 %
Benefit obligation at end of period	(372 7)		(354 4)		(280 9)	
Fair value of plan assets at end of period	394 1		337 3		268 9	
Surplus/(deficit) in the plan	21 4		(17 1)		(12 0)	
Difference between actual and expected return on assets	8 9	2 3%	31 0	9 2%	(44 3)	(15 8%)
Experience (losses)/gains on plan liabilities	-	-	-	-	-	-
Amount recognised in statement of total recognised gains and losses against liabilities	(9 9)	(2 7%)	(33 7)	(9 5%)	(22 2)	(7 9%)

Cumulative amount of gains/(losses) immediately recognized in Statement of Total Recognised Gains and Losses since introduction of FRS17 is a loss of £65 8m (2010 £55 9m)

25 Leasing commitments

The group has annual commitments under operating leases which expire as follows

	Consolidated 29 January 2011 £m	Consolidated 30 January 2010 £m	Company 29 January 2011 £m	Company 30 January 2010 £m
Land and buildings				
In one year or less	-	-	-	-
Between one and five years	3.3	0 1	-	-
In five years or more	42.5	46 8	-	-
	45.8	46 9	-	-

	Consolidated 29 January 2011 £m	Consolidated 30 January 2010 £m	Company 29 January 2011 £m	Company 30 January 2010 £m
Other assets leases				
In one year or less	0.1	-	-	-
Between one and five years	0 7	0 6	-	-
In five years or more	0 2	0 1	-	-
	1 0	0 7	-	-

26 Transactions with directors /and other related parties

On May 7, 2010 the group's parent undertaking was acquired by a 100% subsidiary of Qatar Holding LLC Prior to this date the group had entered into transactions with entities controlled by its former shareholder The transactions and balances with these entities are not considered to be material

The group has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" and has not disclosed transactions with group undertakings

Through its wholly owned subsidiary of Harrods Limited, the group has a subordinated loan to Harrods Property Limited, a company under common control, amounting to £286 5m (2010 £286 3m) The loan is non-interest bearing and is repayable on demand by the lender The maximum receivable during the period was £286 9m (2010 £295 0m)

The group 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 As at 29 January 2011, the balance outstanding was £271 0m (2010 £274 3m)

Through its wholly owned subsidiary of Harrods Limited, the group continues as tenant under a lease with Harrods Property Limited which is for a term of 35 years from December 2006 This lease covers the Harrods store in Knightsbridge, and a number of ancillary Harrods properties used for trading operations During the period the group was charged rent of £41 2m (2010 £43 2m) by Harrods Property Limited At the period end, the balance of prepaid rent was £3 5m (2010 £3 5m)

The group has been granted a loan from QH Property Holdings Limited, which is under the common control of the company's ultimate parent undertaking The debt is non-interest bearing and is repayable upon demand by the lender As at 29 January 2011, the balance outstanding was £848 2m (2010 £856 7m)

The group has been granted a loan from QH Property Holdings Limited, which is under the common control of the company's ultimate parent undertaking The debt is interest bearing and is repayable with no less than 13 months notice in writing by the lender As at 29 January 2011, the balance outstanding was £24 6m (2010 £23 0 m)

During the period, the group terminated its lease with Harrods Property Limited in respect of the Osterley distribution centre, resulting in a £11 2m exceptional gain

There are no other related party transactions

27 Ultimate parent undertaking

The company's immediate parent undertaking is QH Property Holdings Limited, a company incorporated in Bermuda

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