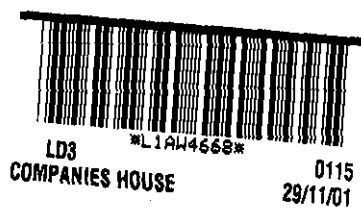


**HARRODS PROPERTY HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**PERIOD ENDED 27 JANUARY 2001**



**Registered Number: 4017779**

# HARRODS PROPERTY HOLDINGS LIMITED

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# **HARRODS PROPERTY HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

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

### **Principal Activity**

The Company was incorporated on 20 June 2000. It is an investment holding company. The Company did not trade or conduct any other activities during the period ended 27 January 2001. No changes are expected in the immediate future.

### **Directors and their Interests**

The present Directors of the Company are:

J Byrne (appointed 19.10.00)  
A Fayed (appointed 19.10.00)  
M Al Fayed (appointed 19.10.00)  
W C Najdecki (appointed 19.10.00)  
A Tanna (appointed 19.10.00)

Other Directors who served during the year were:

Peregrine Secretarial Services Limited (appointed 20.06.00, resigned 19.10.00)

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

M Al Fayed and A Fayed are beneficially interested in the shares of the Company as described in Note 7. No other Director in office held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at date of appointment or at 27 January 2001.

No Director has had a material interest, directly or indirectly, at any time during the period in any contract significant to the business.

### **Auditors**

During the year PricewaterhouseCoopers were appointed as first auditors. In accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

# HARRODS PROPERTY HOLDINGS LIMITED

## DIRECTORS' REPORT (Continued)

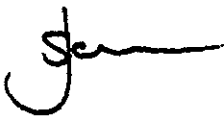
### Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



S Jerman  
Secretary  
28 November 2001

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

# HARRODS PROPERTY HOLDINGS LIMITED

## AUDITORS' REPORT TO THE MEMBERS OF HARRODS PROPERTY HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

### Respective Responsibilities of Directors and Auditors

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

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

### Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 27 January 2001 and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers.*

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

# HARRODS PROPERTY HOLDINGS LIMITED

## BALANCE SHEET AT 27 JANUARY 2001

27/1/01  
£

Note

### Fixed Assets

3	Investments	100,000
	Net Assets	<u>100,000</u>

### Capital And Reserves

5	Called up share capital	100,000
6	Shareholders' funds	<u>100,000</u>

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

The notes on pages 5 to 6 form part of these accounts.

Approved by the board on 28 November 2001



A Tanna  
DIRECTOR

# HARRODS PROPERTY HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

### 1 Accounting Policies

#### Basis of Financial Statements

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

### 2 Information regarding Directors and Employees

No emoluments were paid to the Directors of the Company during the period.

The Company did not employ any persons or incur any staff costs during the period.

### 3 Investments included in Fixed Assets

	27/1/01 £
Investment in subsidiary on incorporation	100
Additions	99,900
At 27 January 2001	<u>100,000</u>

### 4 Principal Subsidiary

Harrods Property Limited is 100% owned by Harrods Property Holdings Limited. The Company is registered in England and Wales and operates in the UK. The principal activity of the subsidiary is property management.

### 5 Called Up Share Capital

	27/1/01 £
Authorised:	
100,000 ordinary shares of £1 each	<u>100,000</u>
Allotted and fully paid:	
100,000 ordinary shares of £1 each all issued in the year	<u>100,000</u>

During the year the Company issued 99,900 ordinary shares for a consideration of £99,900.

# HARRODS PROPERTY HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS (Continued)

<b>6</b>	<b>Reconciliation of movement in shareholders' funds</b>	<b>27/1/01</b>
		<b>£</b>
	Net proceeds of issue of Ordinary Share Capital	99,900
	Shareholders' funds at 20 June 2000	100
	Shareholders' funds at 27 January 2001	<u>100,000</u>

### **7 Parent Undertakings**

The Company's immediate parent undertaking is Harrods Limited. The ultimate UK holding company of Harrods Limited is Harrods Holdings Limited, which is the parent undertaking of the Harrods Holdings Group and which is both the smallest and the largest group which consolidates the results of the Company. The Group accounts will be filed with the Registrar of Companies in due course.

The ultimate parent undertaking is Alfayed Investment and Trust PVT LP, a partnership based in Bermuda. All interests in the Partnership continue to be under the control and held for the benefit of the Fayed family, the ultimate controlling party.

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