

Company number: 30209

HARRODS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 26TH JANUARY 1991



HARRODS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 26TH JANUARY 1991

<u>Contents</u>	<u>Pages</u>
Directors' Report	1 - 3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6 - 7
Statement of Source and Application of Funds	8
Accounting Basis and Policies	9 - 10
Notes to the Financial Statements	11 - 21

04-12-91

1

HARRODS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements of the Company for the 52 weeks ended 26 January 1991 to be submitted to the 101st Annual General Meeting of the Members.

Directors

The present Directors of the Company are:

Mr M Al-Fayed - Chairman  
Mr A Fayed  
Mr S Fayed  
Mr C P de Boer  
Mr M S Springett  
Mr G Willoughby  
Mr J C Bettermann (appointed 11.7.90)  
Mr M D Cole (appointed 11.7.90)  
Mr P Bolliger (appointed 1.12.90)  
Mr J G Hawkins (appointed 1.12.90)  
Mr B K Lee (appointed 1.12.90)

Other Directors who served during the year were:

Mr G W Jones (resigned 31.1.90)  
Mr P I Taylor (resigned 31.5.90)  
Mr E Fayed (resigned 11.7.90)  
Mr R B Jakeman (resigned 13.10.90)  
Mr J S Nordberg (resigned 15.10.90)

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

Principal Activity

The Company continues to be responsible for the operation of the world renowned department store in London.

Results and Dividends

The results and dividends for the 52 weeks ended 26th January 1991 are as shown on page 5.

	<u>£'000</u>
The profit available for distribution amounts to	9,580
from which a dividend has been paid of	5,540
Leaving a retained profit for the period of	<u>4,040</u>
	=====

Review of Business

The Directors consider the results for the year to be highly satisfactory. The deterioration of these results during the year has been due to acutely difficult trading conditions which have prevailed during the period, particularly during the second half

## HARRODS LIMITED

2

### DIRECTORS' REPORT (Cont'd)

#### Review of Business (Cont'd)

of the year. These results have been achieved while redevelopment work in the store has continued. This has inevitably caused some disruption, but the Directors believe that these new installations will show significant returns when they are completed during 1991.

#### Fixed Assets

Details of the movements in fixed assets are shown in Notes 8 and 9 to the Financial Statements.

#### Revaluation of Properties

A valuation of freehold and long leasehold properties was carried out as at 26th January 1991, mainly by Healey & Baker, Consultant Surveyors & Valuers, on an open market existing use basis and has been adopted by the Directors. This valuation showed a deficit of £1.1 million which has been deducted from reserves and is shown in Note 15 in the accounts.

#### Shareholdings and Other Interests of Directors

By reason of their ownership and control of the ultimate parent company, Alfayed Investment and Trust S.A., Mr M Al-Fayed, Mr A Fayed and Mr S Fayed had an indirect interest in the whole of the Company's share capital during the period.

None of the other Directors in office at 26th January 1991 held any interest in the shares or debentures of House of Fraser Holdings plc, the ultimate parent company in the United Kingdom, or of any of its subsidiaries at 28th January 1990, or date of appointment if later, or at 26 January 1991 apart from Mr G Willoughby who holds a non-beneficial qualification shareholding as a Director of House of Fraser plc.

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

#### Charitable and Political Donations

The charitable donations made by the Company and charged in the accounts were £45,509. There were no political donations.

#### Health and Safety

In accordance with the provisions of the Health and Safety at Work Act etc 1974, the Company has issued a written statement of its general policy with respect to the health, safety and welfare

HARRODS LIMITEDDIRECTORS' REPORT (Cont'd)Health and Safety (Cont'd)

at work of its employees and the organisation and arrangements for carrying out that policy. The statement has been brought to the notice of all the employees of the Company.

Disabled People

It is the policy of the Company 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.

Employee Involvement

Information is provided regularly to employees by means of normal management communication channels using written materials, face to face meetings and video presentations. The Store Magazine "Harrods News" has been issued regularly during the year and has been available to all employees and pensioners.

Consultations with employees takes place through elected staff committees, health and safety committees and through normal recognised trades union channels. The management and staff pension funds both have committees of elected representatives who are kept informed and involved in the administration.

A general awareness of the Company's performance is maintained through regular weekly half-hour training sessions for all staff and through individual performance appraisals, employees are made aware of their individual contribution to the Company.

Auditors

Price Waterhouse have expressed their willingness to continue in office as Auditors and a resolution to re-appoint them and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Close Company

As at 26th January 1991, the Company was a close Company within the meaning of the Income and Corporation Taxes Act 1988.

By Order of the Board

  
S. Jerman  
Secretary  
8th April 1991

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBERS OF HARRODS LIMITED**

We have audited the financial statements on pages 5 to 21 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 26 January 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act.

*Price Waterhouse*

Chartered Accountants

8 April 1991

# HARRODS LIMITED

5

## PROFIT AND LOSS ACCOUNT

		52 weeks Ended 26th January 1991 £000	39 Weeks Ended 27th January 1990 £000
	Note		
<u>Total Turnover</u>		359,294	291,396
Less: Value Added Tax		<u>40,592</u>	<u>33,201</u>
Turnover	1	318,702	258,195
<u>Trading Profit</u>	2	<u>33,224</u>	<u>22,675</u>
Other operating income	3	157	54
Interest receivable		-	43
Interest payable	4	(17,625)	(434)
Income from investments		301	220
Income from interests in associated undertakings		<u>-</u>	<u>60</u>
<u>Profit on Ordinary Activities before Taxation</u>		16,057	22,618
Taxation on profit on ordinary activities	5	<u>(6,477)</u>	<u>(8,142)</u>
<u>Profit on Ordinary Activities after Taxation</u>		9,580	14,476
Extraordinary items	6	<u>-</u>	<u>(468)</u>
<u>Profit for the Financial Period</u>		9,580	14,008
Dividends		<u>(5,540)</u>	<u>(7,000)</u>
<u>Profit Retained</u>	15	<u>4,040</u>	<u>7,008</u>

Movements on reserves are shown in Note 15.

The notes on pages 9 to 21 form an integral part of these financial statements.

# HARRODS LIMITED

6

## BALANCE SHEET

	Note	26th January 1991 £000	27th January 1990 £000
<u>Fixed Assets</u>			
Tangible Assets	8	405,729	381,281
Investments	9	<u>8,791</u>	<u>7,860</u>
		<u>414,520</u>	<u>389,141</u>
<u>Current Assets</u>			
Stock	10	32,463	31,032
Debtors	11	50,168	45,205
Cash at Bank and in hand		<u>391</u>	<u>7,716</u>
		<u>83,022</u>	<u>83,953</u>
<u>Current Liabilities</u>			
<u>Creditors: amounts falling due within one year</u>			
	12		
Trade Creditors		19,017	29,846
Bank Overdraft		1,288	-
Other Liabilities		<u>83,300</u>	<u>54,065</u>
		<u>103,605</u>	<u>83,911</u>
<u>Net Current (Liabilities)/Assets</u>		<u>(20,583)</u>	<u>42</u>
<u>Total Assets</u>			
<u>Less Current Liabilities</u>		393,937	389,183
<u>Creditors: amounts falling due after more than one year</u>			
	12	1,697	2,358
<u>Provisions for Liabilities</u>			
Deferred Taxation	13	<u>5,977</u>	<u>3,415</u>
		<u>386,263</u>	<u>383,410</u>
		=====	=====



# HARRODS LIMITED

7



## BALANCE SHEET

	Note	26th January 1991 £000	27th January 1990 £000
<u>Capital and Reserves</u>			
Called up Share Capital	14	19,200	19,200
Revaluation reserve	15	284,812	285,918
Profit and loss account	15	82,251	78,211
Reserves in undertakings in which the Company has a participating interest	15	- 386,263 =====	81 383,410 =====

The Financial Statements were approved by the Board of Directors on 8th April 1991.

P Bolliger

J G Hawkins

The notes on pages 9 to 21 form an integral part of these financial statements.

HARRODS LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS

	52 weeks Ended 26th January <u>1991</u> £000	39 Weeks Ended 27th January <u>1990</u> £000
<u>Source of Funds</u>		
Profit on ordinary activities before taxation	16,057	22,618
Extraordinary Items before taxation	-	(608)
Adjustments for items not involving the movement of funds:		
Depreciation	6,709	4,062
(Profit)/Loss on sale of fixed assets	(45)	66
Profit retained in a participating interest	-	(60)
<u>Total Generated from Operations</u>	<u>22,721</u>	<u>26,078</u>
<u>Funds from other sources</u>		
Sale of Investments	56	-
Repayment of loans	1	250
Proceeds of sale of tangible fixed assets	<u>118</u>	<u>60</u>
	<u>22,896</u>	<u>26,388</u>
<u>Application of Funds</u>		
Expenditure on tangible fixed assets	(32,336)	(16,871)
Purchase of fixed assets investments	(1,069)	-
Tax paid (including group relief)	(3,907)	(7,169)
Repayment of loan	(1,750)	-
Dividends paid	<u>(5,540)</u>	<u>(7,000)</u>
<u>Movement in Working Capital</u>	<u>(21,706)</u>	<u>(4,652)</u>
<u>Analysis of Movement in Working Capital</u>		
Increase/(Decrease) in stocks	1,431	(6,027)
Increase in debtors	4,963	10,774
Increase in creditors	<u>(19,487)</u>	<u>(23,996)</u>
	<u>(13,093)</u>	<u>(19,249)</u>
(Decrease)/Increase in net liquid funds	<u>(8,613)</u>	<u>14,597</u>
	<u>(21,706)</u>	<u>(4,652)</u>

Net liquid funds comprise bank overdrafts, cash at bank and in hand.

The notes on pages 9 to 21 form an integral part of these financial statements.

HARRODS LIMITEDACCOUNTING BASIS AND POLICIES1. Basis of Financial Statements

The financial statements have been prepared under the historical cost convention modified to include revaluation of the Company's properties and in accordance with applicable accounting standards.

Group financial statements are not presented as the Company is a wholly owned subsidiary of a Company incorporated in Great Britain.

2. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on the basis of selling price less the appropriate trading margin.

3. Depreciation of Tangible Fixed Assets

Depreciation is provided by the Company in order to write down the estimated residual value, the cost or valuation of fixed assets over their estimated useful lives by equal annual instalments, on the following basis:

Freehold and long leasehold land and buildings are not depreciated.

Short leasehold buildings	-	Over estimated useful life
Fixtures and fittings	-	Over 10 years
Vehicles and equipment	-	Over 5 years

Depreciation on the revaluation surplus of properties where applicable is charged to the profit and loss account and then transferred to the revaluation reserve.

4. Leased Assets

Assets acquired under finance leases are capitalised so as to reflect the fair value of the asset acquired, and depreciated at a rate which is appropriate given the terms of the lease and life of the asset. The interest element of the rental charge is taken to profit and loss account in proportion to the capital element outstanding.

5. Property Development

In the case of property development projects the interest on the capital borrowed to finance the project is, where separately identifiable and to the extent that it accrues during the period of development, capitalised, as part of the cost of the asset.

HARRODS LIMITEDACCOUNTING BASIS AND POLICIES (Cont'd)6. Property Transfers

Tangible fixed assets are transferred to other group companies at their net book amount. Any associated revaluation surplus is transferred by way of a movement on reserves.

7. Deferred Taxation

Deferred taxation is provided in respect of differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the accounts, except where the tax reduction is expected to continue for the foreseeable future.

8. Credit Sales

Profit is taken on goods sold on credit when the sale is effected, except that a deferral is made in respect of the service charge on extended credit sales which are subject to an interest free option. The service charge on other credit sales is taken to trading profit as it accrues.

9. Pensions

Retirement benefits for the present employees of the Company are funded by contributions from the Company and employees. Payments are made to pension trusts, which are financially separate from the Company, in accordance with calculations made periodically by consulting actuaries. Contributions are charged to the profit and loss account on a basis that spreads the expected cost of providing pensions over the average remaining working lives of the group of employees who are members of the plan.

10. Foreign Currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Realised gains and losses are dealt with in the profit and loss account.

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

	52 weeks Ended 26th January 1991 £000	39 Weeks Ended 27th January 1990 £000
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1. Turnover arises entirely within the U.K., and is the amount receivable excluding vat, for goods and services supplied to customers and includes the sales of concession departments

318,702	258,195
=====	=====

2. Trading Profit is arrived at as follows:

Turnover	318,702	258,195
Cost of Sales	(200,534)	(156,719)
Gross Profit	118,168	101,476
Distribution and store costs	(84,708)	( 69,943)
Administrative Expenses	( 236)	( 8,858)
Trading Profit	33,224	22,675
	=====	=====

Included in the above are:

Depreciation of tangible fixed assets	5,993	3,525
Depreciation of assets held under finance leases	716	537
Auditors' fees and expenses	96	82
Hire of plant and machinery	408	491
Head Office charge	-	8,804

The Head Office charge in the prior period is effectively a management charge levied by House of Fraser plc based on a percentage of the turnover of Harrods Limited. For 1991, the Company has been charged interest on its borrowings from group undertakings (Note 4.).

3. Other Operating Income

Rental Income	157	54
	=====	=====

4. Interest Payable

On loans from Group undertakings	17,268	-
On loans repayable within 5 years	-	75
On finance leases	357	359
	=====	=====
	17,625	434
	=====	=====

HARRODS LIMITED

12

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

	52 weeks Ended 26th January 1991 £000	39 Weeks Ended 27th January 1990 £000
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5. Taxation

Taxation based on profits of the period:

Group relief - payment to parent company in respect of amounts under the group relief provisions

provisions	3,670	7,309
Deferred taxation	2,510	834
Corporation tax	159	-
Foreign Tax	3	-
Tax on franked investment income	76	-
Adjustments of provisions for earlier periods:		
Deferred tax	<u>59</u>	<u>(1)</u>
	<u>6,477</u>	<u>8,142</u>
	=====	=====

Corporation tax is provided at an effective rate of 40% (1990 35%).

6. Extraordinary Items

Reorganisation and closure costs

costs	-	(608)
Tax thereon	-	140
	<u>-</u>	<u>(468)</u>
	=====	=====

7. Information regarding Directors and Employees

Directors

Directors' remuneration:

Emoluments including pension contributions	329	539
Compensation paid to former Directors for loss of office	<u>136</u>	<u>100</u>
	<u>465</u>	<u>639</u>
	=====	=====
Emoluments of Chairman	-	-
Emoluments of highest paid Director	<u>74</u>	<u>122</u>
	=====	=====

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Information regarding Directors and Employees (Cont'd)

The range of Directors' emoluments and the number of Directors within the range shown was:

	52 weeks Ended 26th January 1991 £000	39 Weeks Ended 27th January 1990 £000
£0 - 5,000	8	6
£10,001 - £15,000	3	-
£15,001 - £20,000	-	1
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-
£45,001 - £50,000	1	-
£50,001 - £55,000	1	-
£70,001 - £75,000	2	1
£75,001 - £80,000	-	-
£80,001 - £85,000	-	1
£85,001 - £90,000	-	1
£115,001 - £120,000	-	1
£120,001 - £125,000	-	1

	52 weeks Ended 26th January 1991 £000	39 Weeks Ended 27th January 1990 £000
<u>Employees</u>		
Employment costs:		
Wages and salaries	49,745	40,246
Social security costs	4,662	2,799
Other pension costs	(198)	713
	<u>54,209</u>	<u>43,758</u>
	=====	=====

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Information regarding Directors and Employees (Cont'd)

The average weekly number  
of employees during the  
period was:

4,637                      4,211

The Company participates in the House of Fraser Pension Plan. The Plan is operated as a defined benefit Group Pension Scheme in the U.K. and was formed following the merger (as at April 1989) of the House of Fraser Staff Pension Plan and the House of Fraser Management Pension Plan.

The Company pays such contributions to the Plan as are required in order to fund benefits for the members and pensioners. The assets of the Plan are held in trust separately from the Company.

The regular pension cost charged to the profit and loss account is based on figures calculated for the Group as a whole which are such as to spread the expected pension costs over the average remaining working lives of the Group of employees who are members of the Plan. The regular cost is expressed as a level percentage of the current and expected future earnings using the "attained age" method of calculation. Surpluses or deficiencies are spread over the same average period as an adjustment to regular cost.

The pension cost charge is determined by qualified actuaries who are partners of Bacon & Woodrow, consulting actuaries. The credit for the period ended 26th January 1991 is based on the most recent actuarial valuation, which took place as at 5th April, 1988 updated to 27th January, 1990, and adjusted for certain revised actuarial assumptions. Further details may be found in the accounts of House of Fraser plc.

The pension credit for the period was £198,234 (1990 Charge - £712,975).

A provision of £526,289 (1990 £712,975) is included in the accounts being the excess of the pension cost over the contributions paid during the period ended 26th January 1991 together with the provision at 27th January 1990 and interest thereon.



HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Fixed Assets - Tangible Assets

	<u>Total</u> £'000	<u>Freehold Land &amp; Buildings</u> £'000	<u>Long Lease- holds</u> £'000	<u>Short Lease- holds</u> £'000	<u>Fixtures fittings, vehicles &amp; equipment</u> £'000
Cost or valuation at 27th January 1990	399,866	346,625	1,740	1,864	49,637
Additions	32,252	15,528	-	1	16,723
Disposals	(369)	-	-	-	(369)
Group transfers	110	-	-	-	110
Revaluation deficit	<u>(1,106)</u>	<u>(766)</u>	<u>(340)</u>	<u>-</u>	<u>-</u>
Cost or valuation at 26th January 1991	<u>430,753</u>	<u>361,387</u>	<u>1,400</u>	<u>1,865</u>	<u>66,101</u>
Aggregate depreciation to 27th January 1990	18,585	-	-	-	18,585
Charge for period	6,709	-	-	105	6,604
Disposals	(296)	-	-	-	(296)
Group transfers	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>
Aggregate depreciation to 26th January 1991	<u>25,024</u>	<u>-</u>	<u>-</u>	<u>105</u>	<u>24,919</u>
Net book value at 26th January 1991	<u>405,729</u>	<u>361,387</u>	<u>1,400</u>	<u>1,760</u>	<u>41,182</u>
Net book value at 27th January 1990	<u>381,281</u>	<u>346,625</u>	<u>1,740</u>	<u>1,864</u>	<u>31,052</u>
Cost or valuation: 1991 Valuation	359,560	358,160	1,400	-	-
Cost	<u>71,193</u>	<u>3,227</u>	<u>-</u>	<u>1,865</u>	<u>66,101</u>
	<u>430,753</u>	<u>361,387</u>	<u>1,400</u>	<u>1,865</u>	<u>66,101</u>

Freehold and long leasehold properties have been professionally valued on 26th January 1991 mainly by Healey & Baker, Consultant Surveyors & Valuers, on an open market existing use basis. This value has been incorporated in the accounts with effect from 26th January 1991.

The net book value of fixed tangible assets includes an amount of £2,686,114 (1990 - £3,401,616) in respect of assets held under finance leases.

Included in the cost of fixed tangible assets is £2,237,381 of capitalised interest of which £295,750 was incurred during the period. The taxation charge has been reduced in respect of this interest.

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Fixed Assets - Tangible Assets (Cont'd)

The value of fixed assets if determined according to the historical cost accounting rules is as follows:

	<u>Total</u> £'000	<u>Freeholds</u> £'000	<u>Long Lease- holds</u> £'000	<u>Short Lease- holds</u> £'000	<u>Fixtures fittings, vehicles &amp; equipment</u> £'000
Cost at 27th January 1990	113,962	62,361	100	1,864	49,637
Depreciation to 27th January 1990	<u>(18,585)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,585)</u>
Net historical cost at 27th January 1990	<u>95,377</u>	<u>62,361</u>	<u>100</u>	<u>1,864</u>	<u>31,052</u>
Cost at 26th January 1991	145,955	77,889	100	1,865	66,101
Depreciation to 26th January 1991	<u>(25,024)</u>	<u>-</u>	<u>-</u>	<u>(105)</u>	<u>(24,919)</u>
Net historical cost at 26th January 1991	<u>120,931</u>	<u>77,889</u>	<u>100</u>	<u>1,760</u>	<u>41,182</u>

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

9. Fixed Assets - Investments

	<u>Total</u>	<u>Group</u>	<u>Interests in</u>
	<u>£'000</u>	<u>undertakings</u>	<u>associated</u>
	<u>£'000</u>	<u>£'000</u>	<u>undertakings</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Shares:			
Cost at 27th January 1990	7,778	2,281	5,497
Additions	1,069	-	1,069
Disposals	(56)	(6)	(50)
At 26th January 1991	8,791	2,275	6,516
	=====	=====	=====
Loans:			
At 27th January 1990	1	-	1
Repayment	(1)	-	(1)
At 26th January 1991	-	-	-
	=====	=====	=====
Share of Post Acquisition Reserves:			
At 27th January 1990	81	-	81
Share of profits for the period	(81)	-	(81)
At 26th January 1991	-	-	-
	=====	=====	=====
Total net Book Value:			
At 26th January 1991	8,791	2,275	6,516
	=====	=====	=====
At 27th January 1990	7,860	2,281	5,579
	=====	=====	=====

## Shares in Subsidiary undertakings:

The Company has the following wholly owned trading and dormant subsidiary undertakings:

<u>Name</u>	<u>Registered</u>
Harrods Estates	England & Wales
Harrods Bank Limited	England & Wales
Harrods International Limited	England & Wales
Harrodian Trustees Limited*	England & Wales
Harrods (Continental) Limited*	England & Wales
Harrods (Management) Limited*	England & Wales

\*denotes dormant subsidiary undertaking.

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

9. Fixed Assets - Investments (Cont'd)

The associated undertaking at 26th January 1991 is:

Mallett plc, a Company listed on the International Stock Exchange, in which the Company holds 29.9% of the issued ordinary share capital. The market value of the Investment at 26th January 1991 was £4,660,000 (1990 25.9% - £6,265,000)

In the opinion of the Directors, the value of the Company's investments in its subsidiary and associated undertakings is not less than the amount stated in the balance sheet.

10. Stocks

	<u>1991</u>	<u>1990</u>
	£'000	£'000

The main categories of stocks are:

Raw materials and consumables	237	282
Finished goods and goods for resale	<u>32,226</u>	<u>30,750</u>
	32,463	31,032
	=====	=====

There was no significant difference between the replacement cost of stocks at 26th January 1991 and the amount at which they are stated in the accounts.

11. Debtors

	<u>1991</u>	<u>1990</u>
	£'000	£'000

Amounts due within one year:

Trade debtors	40,434	41,040
Amounts owed by group undertakings	5,454	2,273
Other taxes and social security	1,847	11
Other Debtors	1,870	1,031
Prepayments and accrued income	<u>495</u>	<u>682</u>
	50,100	45,037

Amounts due after more than one year:

Trade debtors	<u>68</u>	<u>168</u>
	50,168	45,205
	=====	=====

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Creditors

	<u>1991</u> £'000	<u>1990</u> £'000
Amounts falling due within one year		
Loan (secured)	-	1,750
Amounts owing to group undertakings	56,214	26,235
Dividend	-	7,000
Other taxes and social security	10,626	9,499
Other creditors	8,644	6,291
Advance Corporation Tax payable	1,847	-
Accruals and deferred income	<u>5,969</u>	<u>3,290</u>
	<u>83,300</u>	<u>54,065</u>
	=====	=====
Amounts falling due after more than one year:		
Other creditors	<u>1,697</u>	<u>2,358</u>
	=====	=====

13. Provisions for Liabilities and Charges

	<u>1991</u> £'000	<u>1990</u> £'000
Deferred taxation:		
Balance at beginning of period	3,415	2,582
Charge for the period	<u>2,562</u>	<u>833</u>
Balance at end of period	<u>5,977</u>	<u>3,415</u>
	=====	=====

Deferred taxation is in respect of accelerated capital allowances.

In addition to the amount provided for deferred taxation above, there are potential liabilities in respect of deferred taxation in relation to:

	<u>1991</u> £'000	<u>1990</u> £'000
Capital allowances	6,000	6,000
Revaluation of properties	53,367	54,290
Corporation tax on capital gains	<u>5,894</u>	<u>5,267</u>
	<u>65,261</u>	<u>65,557</u>
	=====	=====

# HARRODS LIMITED

20

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 14. Called up Share Capital

	<u>1991</u> £'000	<u>1990</u> £'000
Ordinary shares of 10p each		
Authorised	21,500	21,500
Issued and fully paid	19,200	19,200

### 15. Reserves

	<u>Revalua- tion reserve</u> £'000	<u>Profit &amp; loss account</u> £'000	<u>Associated undertakings reserves</u> £'000	<u>Total</u> £'000
Balance at 27th January 1990	285,918	78,211	81	364,210
Profit retained for the period	-	4,040	-	4,040
Disposal	-	-	-	-
Net revaluation deficit	(1,106)	-	(81)	(81)
Balance at 26th January 1991	284,812	82,251	-	367,063

### 16. Capital Commitments

	<u>1991</u> £'000	<u>1990</u> £'000
Contracted for but not yet provided	13,506	5,196
Authorised by Directors but not yet contracted for	-	8,409
	13,506	13,605

### 17. Contingent Liabilities

The Company has given guarantees to various banks in respect of loan and overdraft facilities granted to other group companies amounting to £38.5 million. At 26th January 1991, the amount of those facilities utilised was £13,964,318.

HARRODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. Leasing Commitments

	<u>1991</u> £'000	<u>1990</u> £'000
Obligations under finance leases are:		
Payable: within one year	656	674
between one and five years	<u>1,697</u>	<u>2,358</u>
	<u>2,353</u>	<u>3,032</u>
	=====	=====

19. Parent Companies

House of Fraser plc, a company registered in Scotland, is the parent undertaking of the smallest group to consolidate the Company. House of Fraser Holdings plc, a company registered in England and Wales, is the parent undertaking of the largest group to consolidate these accounts.

The directors consider the ultimate parent company to be Alfayed Investment and Trust S.A., a Company incorporated in Liechtenstein. The registered and beneficial owners of the whole of the issued share capital of that company are Messrs. M. Al Fayed, A. Fayed and S. Fayed.