

HARRODS (MANAGEMENT) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
52 WEEKS ENDED 27 JANUARY 2001



Registered number: 676534

HARRODS (MANAGEMENT) LIMITED

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HARRODS (MANAGEMENT) LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the 52 weeks ended 27 January 2001.

Principal Activity

The Company did not trade or conduct any other activities during the 52 weeks ended 27 January 2001. No changes are expected in the immediate future.

Directors and their Interests

The present Directors of the Company are:

J M Akeroyd (appointed 09.07.01)
B F Ames
R L Assanand
M S Briggs
J A Brilliant (appointed 01.05.01)
X M Carr-Griffiths
P Crofton
J E Demuro (appointed 14.09.00)
J P Healy
H Hutton
J L Macnamara
A Maeder
W C Najdecki
A Pitcher
Raine, Countess Spencer (appointed 15.02.01)
M B Roberson (appointed 01.04.00)
B R Thorne (appointed 01.11.00)
J Upton
K A Valentine (appointed 12.02.01)
M West (appointed 01.05.00)
P E Willasey

Other Directors who served during the year were:

D J Beaumont-Howell (resigned 29.02.00)
S D Boyle (appointed 18.04.01, resigned 02.07.01)
C Cevasco (appointed 11.09.00, resigned 05.04.01)
G E Christophers (resigned 22.12.00)
J M Griffiths (resigned 25.07.01)
C H Kirby (resigned 01.09.00)
D E Norman (resigned 24.05.00)
A K Wiles (resigned 07.12.00)
EJ Whitehead (appointed 10.10.00, resigned 08.12.00)
M F V Zingraff (resigned 18.04.01)

HARRODS (MANAGEMENT) LIMITED

DIRECTORS' REPORT (Continued)

Directors and their Interests (Continued)

No Director in office at 27 January 2001 held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at 30 January 2000, at date of appointment, or at 27 January 2001.

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.


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 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, as explained on page 5 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year 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
15 August 2001

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

HARRODS (MANAGEMENT) LIMITED

AUDITORS' REPORT TO THE MEMBERS OF HARRODS (MANAGEMENT) LIMITED

We have audited the financial statements on pages 4 to 5 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
Chartered Accountants and Registered Auditors
1 Embankment Place, London, WC2N 6RH
15 August 2001

HARRODS (MANAGEMENT) LIMITED

BALANCE SHEET AT 27 JANUARY 2001

Note	27/1/01 £	29/1/00 £
Current Assets		
Debtors:		
Amounts due from group undertakings	<u>52</u>	<u>52</u>
Total assets	<u><u>52</u></u>	<u><u>52</u></u>
 Capital and Reserves		
3 Called up share capital	<u>52</u>	<u>52</u>
4 Equity shareholders' funds	<u><u>52</u></u>	<u><u>52</u></u>

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

The notes on page 5 form part of these accounts.

Approved by the Board on 15 August 2001.



W C Najdecki
DIRECTOR

HARRODS (MANAGEMENT) LIMITED

NOTES TO THE ACCOUNTS

1 Accounting Policies

Basis of Financial Statements

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

2 Information regarding Directors and Employees

No emoluments were paid to Directors of the Company during the year (2000 - £nil).

The Company did not employ any persons or incur any staff costs during the year (2000 - £nil).

3 Share Capital

27/1/01
£

29/1/00
£

Authorised:

100 ordinary shares of £1 each

100

100

Issued and fully paid:

52 ordinary shares of £1 each

52

52

4 Reconciliation of movement in shareholders' funds

Opening shareholders' funds

52

52

Closing shareholders' funds

52

52

5 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.