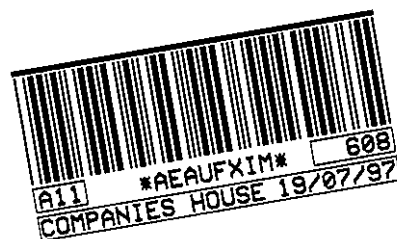


**KURT GEIGER SHOES LIMITED  
REPORT AND FINANCIAL STATEMENTS  
53 WEEKS ENDED 1 FEBRUARY 1997**



## CONTENTS

|                                   |   |
|-----------------------------------|---|
| Directors' Report                 | 2 |
| Auditors' Report                  | 4 |
| Balance Sheet                     | 5 |
| Accounting Policies               | 6 |
| Notes to the Financial Statements | 7 |

## **KURT GEIGER SHOES LIMITED DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the 53 weeks ended 1 February 1997.

### **DIRECTORS**

The present Directors of the Company are:

S Jerman

J G Hawkins (appointed 28 June 1996)

The following Director also held office during the period:

D R Webb (resigned 1 August 1996)

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 did not trade or conduct any other activities during the year. No changes are expected in the immediate future.

### **DIRECTORS' INTERESTS**

No Director in office during the year held any beneficial interest in the shares of Harrods Holdings plc (formerly Harrods Investments plc) or any of its subsidiaries at 28 January 1996 or date of appointment or 1 February 1997.

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.

### **AUDITORS**

Price Waterhouse have expressed their willingness to continue in office as auditors to the Company and a resolution proposing their re-appointment and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

**KURT GEIGER SHOES LIMITED  
DIRECTORS' REPORT**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**


The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors have prepared the financial statements on pages 5 to 8 on a going concern basis and consider that, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By Order of the Board 8 April 1997

  
S JERMAN  
Secretary

Registered Office  
89/135 Brompton Road  
Knightsbridge, London  
SW1X 7XL

**AUDITORS' REPORT  
TO THE MEMBERS OF KURT GEIGER SHOES LIMITED**

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 3 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**BASIS OF 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 1 February 1997 and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

*8 April 1997*

PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors

Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

**KURT GEIGER SHOES LIMITED**  
**BALANCE SHEET**  
**AT 1 FEBRUARY 1997**

| Note                                   | 1/2/97<br>£  | 27/1/96<br>£ |
|--|--------------|--------------|
| <b>CURRENT ASSETS</b>                  |              |              |
| 2 Debtors due after more than one year | 5,610        | 5,610        |
|  | <u>5,610</u> | <u>5,610</u> |
| <b>CAPITAL AND RESERVES</b>            |              |              |
| 3 Called up share capital              | 5,610        | 5,610        |
|  | <u>5,610</u> | <u>5,610</u> |

The Company did not trade during the period, and has made neither profit or loss nor any other recognised gain or loss.

Approved by the Board on 8 April 1997

*J G Hawkins*

**J G HAWKINS**  
**Director**

## **KURT GEIGER SHOES LIMITED**

### **ACCOUNTING POLICIES**

#### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and comply with the disclosure requirements of the Companies Act 1985 and applicable accounting standards.

The ultimate UK holding company, Harrods Holdings plc (formerly Harrods Investments plc), produces a consolidated cash flow statement in accordance with Financial Reporting Standard 1 (FRS 1) revised 1996. Consequently the company has taken advantage of the exemption in FRS 1 revised 1996 from producing a cash flow statement.

**KURT GEIGER SHOES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

No emoluments were paid to the Directors of the Company during the year (1995/96 - £nil)

The Company did not employ any persons or incur any staff costs during the year (1995/96 - £nil)

|  | 1/2/97 | 27/1/96 |
|--|--------|---------|
|  | £      | £       |

**2 DEBTORS**

Amounts due after more than one year:

Amounts owed by group undertakings

|  |              |              |
|--|--------------|--------------|
|  | <u>5,610</u> | <u>5,610</u> |
|--|--------------|--------------|

**3 CALLED UP SHARE CAPITAL**

Issued and fully paid:

Ordinary shares of £1 each

|  |              |              |
|--|--------------|--------------|
|  | <u>5,610</u> | <u>5,610</u> |
|--|--------------|--------------|

Authorised capital:

Ordinary shares of £1 each

|  |              |              |
|--|--------------|--------------|
|  | <u>5,700</u> | <u>5,700</u> |
|--|--------------|--------------|



**KURT GEIGER SHOES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

|  | 1/2/97<br>£         | 27/1/96<br>£        |
|--|---------------------|---------------------|
| <b>4 RECONCILIATION OF MOVEMENT IN<br/>SHAREHOLDERS' FUNDS</b> |                     |                     |
| Opening shareholders' funds                                    | <u>5,610</u>        | <u>5,610</u>        |
| Closing shareholders' funds                                    | <u><u>5,610</u></u> | <u><u>5,610</u></u> |

**5 PARENT UNDERTAKINGS**

The Company's immediate parent undertaking is Kurt Geiger Limited, a company registered in England and Wales. The ultimate UK parent undertaking of Kurt Geiger Limited is Harrods Holdings plc (formerly Harrods Investments plc), a company registered in England and Wales, 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 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 Company is a wholly owned subsidiary of Harrods Holdings plc and, as permitted by Financial Reporting Standard 8 "Related Party Disclosures", transactions with other entities in the Harrods Holdings plc Group are not disclosed.