

Harrods Estates Limited

FINANCIAL STATEMENTS

for the Year Ended
28 January 2012

Registration number 0835993

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Harrods Estates Limited

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Harrods Estates Limited
Directors' Report for the Period from 30 January 2011 to 28 January 2012

The directors present their report and the financial statements for the period from 30 January 2011 to 28 January 2012

Principal activity

The principal activity of the company is that of estate agents and property managers

Business review and key performance indicators

The directors consider the trading performance of the company to be good given the general economic conditions and continuing downturn in the UK property market in 2011

There was a profit for the period after taxation amounting to £660,539 (2011 £6,969) The directors do not recommend the payment of a dividend (2011 £nil)

Directors

The membership of the Board is set out below All served on the board throughout the period unless otherwise noted

J M P Cook

Raine, Countess Spencer

S R Humphrey

A M Al-Sayed

K Al Kuwari

H Al-Abdulla

K Maamria

Mr M A E Collins (resigned 31 January 2011)

The following directors were appointed after the period end:

K K Boland (appointed 1 July 2012)

S P Drummond (appointed 1 July 2012)

Disabled persons

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

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

Harrods Estates Limited
Directors' Report for the Period from 30 January 2011 to 28 January 2012

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Credit Risk

The company's principal credit risk relates to the recovery of trade debtors. Credit risk is mitigated by the ability to offset amounts due against income received from tenants (lettings), service charges received from leaseholders (property management), or recovered from solicitors on completion of sale (sales). Credit risk is further managed by reviewing aged debtors on a regular basis.

Interest rate risk

Exposure to interest rate risk is limited through the use of fixed interest rates on inter company loans.

Statement of Directors' Responsibilities

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 law). 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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 the directors are 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.

Disclosure of information to Auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Harrods Estates Limited
Directors' Report for the Period from 30 January 2011 to 28 January 2012

..... continued

Reappointment of auditors

Ernst & Young LLP were appointed as auditors on 12th January 2012

Ernst & Young 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 THE ORDER OF THE BOARD 11 October 2012


.....
J M Goldberg
Company secretary

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

Independent Auditor's Report to the Members of Harrods Estates Limited

We have audited the financial statements of Harrods Estates Limited for the period from 30 January 2011 to 28 January 2012 which comprises the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, related notes 1 to 20 and the Principal Accounting Policies set out on pages 6 and 7. 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 auditor's 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 2), 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 January 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

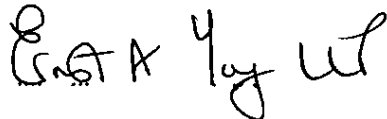
**Independent Auditor's Report to the Members of
Harrods Estates Limited**

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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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or



Philippa Jane Green (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP

Date 16-10-2012

Harrods Estates Limited

Principal Accounting policies for the Period from 30 January 2011 to 28 January 2012

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards and have remained unchanged from the previous period

Harrods Estates Limited is a wholly owned subsidiary of Harrods Limited, which produces Group accounts in accordance with the Companies Act 2006. Consequently the company has taken advantage of the exemption permitted by section 400 of the Act from producing group accounts. These accounts therefore present information about the company and not about its group.

Harrods Limited produces a consolidated cash flow statement in accordance with Financial Reporting Standard No 1 (FRS1). Consequently the company has taken advantage of the exemption in FRS 1 from producing a cash flow statement.

Turnover

Agency fees on property sales are recognised on exchange of contract, letting fees are recognised as turnover on receipt of funds from tenants to the extent that these fees are guaranteed (as determined by the specific terms of each contract), and property management fees are recognised in the period in which the service is provided.

Tangible Fixed Assets and Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures, fittings and equipment	3 to 10 years
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Investment

Investments are included at cost.

Hire purchase and leasing

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred tax

Deferred tax is recognised on all timing differences where the transactions or events that give the company 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.

Harrods Estates Limited

Principal Accounting policies for the Period from 30 January 2011 to 28 January 2012

..... continued

Contributuion to pension schemes

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 and company 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 recognized only to the extent that it is recoverable by the company. 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 17 to the accounts

Harrods Estates Limited
Profit and Loss Account for the Period from 30 January 2011 to 28 January 2012


	Note	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Turnover	1	3,842,401	2,928,148
Cost of sales		<u>(2,017,771)</u>	<u>(2,047,120)</u>
Gross profit		1,824,630	881,028
Administrative expenses		<u>(1,228,788)</u>	<u>(1,179,174)</u>
Operating profit/(loss)	2	595,842	(298,146)
Other Income		250,000	250,000
Net interest	3	<u>(33,628)</u>	<u>(37,359)</u>
Profit/(loss) on ordinary activities before taxation		812,214	(85,505)
Tax on profit/(loss) on ordinary activities	6	<u>(151,675)</u>	<u>92,474</u>
Profit for the financial period	14	<u><u>660,539</u></u>	<u><u>6,969</u></u>

The notes on pages 11 to 23 form an integral part of these financial statements.

Harrods Estates Limited
Balance Sheet at 28 January 2012

	Note	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Fixed assets			
Tangible fixed assets	7	63,228	50,278
Investments	8	<u>2</u>	<u>2</u>
		63,230	50,280
Current assets			
Debtors	9	660,950	515,282
Cash at bank and in hand		<u>723,344</u>	<u>10,168</u>
		1,384,294	525,450
Creditors Amounts falling due within one year	10	<u>(772,592)</u>	<u>(421,571)</u>
Net current assets		611,702	103,879
Total assets less current liabilities		674,932	154,159
Creditors Amounts falling due after more than one year	11	<u>(507,215)</u>	<u>(611,569)</u>
Net assets/(liabilities)		<u>167,717</u>	<u>(457,410)</u>
Capital and reserves			
Called up share capital	13	640,000	640,000
Profit and loss account	14	<u>(472,283)</u>	<u>(1,097,410)</u>
Shareholders' funds/(deficit)		<u>167,717</u>	<u>(457,410)</u>

Approved by the Board on 11 October 2012 and signed on its behalf by:


.....
J M P Cook
Director

Harrods Estates Limited
Statement of Total Recognised Gains and Losses for the Period from 30 January 2011 to
28 January 2012

	Note	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Profit for the financial period		660,539	6,969
Actuarial loss recognised on defined benefit pension scheme		(48,064)	(154,585)
Deferred tax on actuarial loss recognised on defined benefit pension scheme		12,652	-
Total recognised gains and losses relating to the period		<u>625,127</u>	<u>(147,616)</u>

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

1 Turnover and profit/(loss) on ordinary activities before taxation

The turnover and profit/(loss) on ordinary activities before taxation is attributable to continuing operations as follows

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Turnover excluding VAT arises from operations in the United Kingdom	<u>3,842,401</u>	<u>2,928,148</u>

2 Operating profit/(loss)

The operating profit/(loss) is stated after charging

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Operating leases	241,250	240,000
Auditor's remuneration - The audit of the company's annual accounts	15,265	14,529
Depreciation of tangible fixed assets	<u>23,659</u>	<u>45,035</u>

3 Interest payable and similar charges

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Interest on loans from group undertakings	(36,043)	(37,985)
Interest receivable	<u>2,415</u>	<u>626</u>
	<u>(33,628)</u>	<u>(37,359)</u>

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

4 Directors and employees

Staff costs during the period were as follows

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Wages and salaries	1,730,439	1,759,648
Social security costs	215,450	207,062
Staff pensions	71,882	80,410
	<u>2,017,771</u>	<u>2,047,120</u>

The average number of employees of the company during the period was 20 (2011 22)

There are 2 directors to whom retirement benefits are accruing under a defined benefit pension scheme (2011 6), and 2 directors to whom retirement benefits are accruing under a defined contribution scheme (2011 6)

Remuneration in respect of directors was as follows

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Emoluments	<u>550,452</u>	<u>851,272</u>

Included in emoluments for the period ended 29 January 2011 are pension contributions of £90,571 (2011 £90,571) The value of emoluments incurred directly by the company was £550,452, (2011 £851,272)

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

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Emoluments	<u>333,882</u>	<u>332,754</u>

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

The highest paid director's accrued pension at the period end was £18,730 (2011 £18,720)

5 Dividends

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Other Income		
Dividends receivable from group undertakings	<u>250,000</u>	<u>250,000</u>

6 Taxation

Tax on profit/(loss) on ordinary activities

	52 weeks ended 28 January 2012 £	52 weeks ended 29 January 2011 £
Current tax		
Group relief payable/(receivable)	139,576	(106,039)
Origination and reversal of timing differences	(553)	(7,701)
Deferred tax relating to FRS 17	<u>12,652</u>	<u>21,266</u>
Total tax on profit/(loss) on ordinary activities	<u>151,675</u>	<u>(92,474)</u>

Factors affecting current tax charge for the period

Tax on profit/(loss) on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26.32% (2011 - 28%).

The differences are reconciled below:

Profit/(loss) on ordinary activities before taxation	<u>812,214</u>	<u>(85,505)</u>
Corporation tax at standard rate	213,799	(23,941)
Capital allowances for the period in excess of depreciation	2,996	8,310
Income not assessable for tax purposes	(64,659)	(70,222)
Adjustments to tax charge in respect of prior/future periods	92	1,080
Income and expenses assessed on a cash basis	<u>(12,652)</u>	<u>(21,266)</u>
Total current tax	<u>139,576</u>	<u>(106,039)</u>

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

7 Tangible fixed assets

	Fixtures, fittings, equipment and shopfits £
Cost or valuation	
At 30 January 2011	451,638
Additions	36,609
At 28 January 2012	488,247
Depreciation	
At 30 January 2011	401,360
Charge for the period	23,659
At 28 January 2012	425,019
Net book value	
At 28 January 2012	63,228
At 29 January 2011	50,278

8 Investments Held As Fixed Assets

	28 January 2012 £	29 January 2011 £
Shares in group undertakings and participating interests	2	2

The fixed asset investment of £2 (2011 £2) represents the net book value of 2 ordinary shares held in the wholly owned subsidiary undertaking PL Management Company Limited, a company registered England and Wales

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... *continued*

9 Debtors

	28 January 2012 £	29 January 2011 £
Trade debtors	564,310	319,288
Amounts owed by group undertakings and undertakings	260	7,800
Prepayments and deferred income	76,100	62,428
Other debtors	-	106,038
Deferred tax	20,280	19,728
	<u>660,950</u>	<u>515,282</u>

10 Creditors: Amounts falling due within one year

	28 January 2012 £	29 January 2011 £
Trade creditors	14,283	7,916
Amounts owed to group undertakings and undertakings in which the company has a participating interest	139,576	-
Other taxes and social security	61,609	18,977
Accruals and deferred income	504,356	366,864
Other creditors	52,768	27,814
	<u>772,592</u>	<u>421,571</u>

11 Creditors: Amounts falling due after more than one year

	28 January 2012 £	29 January 2011 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>507,215</u>	<u>611,569</u>

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

12 Deferred Taxation

Deferred taxation provided for in the financial statements is set out below. There were no unprovided amounts of deferred taxation at 28 January 2012 or 29 January 2011.

	Amount Provided £
At 30 January 2011	(19,728)
Credited to the profit and loss account	(552)
At 28 January 2012	<u>(20,280)</u>

Deferred taxation provided in the financial statements is set out below

	28 January 2012 £	29 January 2011 £
Depreciation in advance of capital allowances	<u>(20,280)</u>	<u>(19,727)</u>
	<u>(20,280)</u>	<u>(19,727)</u>

13 Called up share capital

Allotted, called up and fully paid shares

	28 January 2012 £	29 January 2011 £
640,000 Allotted, called up and fully paid of £1 each (2011 640,000)	<u>640,000</u>	<u>640,000</u>

14 Reserves

	Profit and loss account £
At 30 January 2011	(1,097,410)
Profit for the period	660,539
Actuarial loss on pension schemes	(48,064)
Deferred tax relating to actuarial gain/loss on pension schemes	12,652
At 28 January 2012	<u>(472,283)</u>

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

15 Capital commitments

The company had no capital commitments at 29 January 2011 or 28 January 2012

16 Contingent liabilities

The Harrods Group (Holding) Group's cash netting facility is guaranteed by Harrods Estates Limited and other group companies

There were no other contingent liabilities at 29 January 2011 or 28 January 2012

17 Retirement Benefits obligations

Defined contribution pension scheme

The Group operates the Harrods Retirement Savings Plan, which is an approved defined contribution scheme, it was established in April 2006 and is provided and managed by Fidelity International

The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £71,882 (2011 - £78,470)

Contributions totalling £nil (2011 - £nil) were payable to the scheme at the end of the period and are included in creditors

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... *continued*

Defined benefit pension schemes

During the period the group operated the Harrods Group Pension Plan ("the Plan"), which is an approved defined benefit scheme, administered by Mercer. This scheme was closed to new membership and new accruals in April 2006.

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.

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 £103.0m as at 5 April 2009. An updated funding position at 31 December 2009 revealed a shortfall in assets of £88.0m, 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:

- Annual contributions totaling £14.0m 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 £1.0m per annum to continue to be met by the Employers
- Recognising the risks inherent in the performance of the financial markets during the 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 28 January 2012, the participating employers made total contributions to the plan of £17.2m (2011: £31.6m).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	28 January 2012 £	29 January 2011 £
Fair value of scheme assets	1,184,272	1,280,890
Present value of scheme liabilities	(1,176,954)	(1,045,024)
	7,318	235,866
Irrecoverable surplus	(7,318)	(235,866)
Net asset/(liability) in the balance sheet	-	-

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

Scheme assets

Changes in the fair value of scheme assets are as follows:

	30 January 2011 to 28 January 2012 £	31 January 2010 to 29 January 2011 £
Fair value at start of period	1,280,890	1,159,541
Expected return on assets	57,525	56,158
Actuarial gains and losses	9,576	25,045
Employer contributions	48,064	75,949
Benefits paid	(35,569)	(35,803)
Transfers	(176,214)	-
Fair value at end of period	<u>1,184,272</u>	<u>1,280,890</u>

Analysis of assets

The major categories of scheme assets are as follows:

	28 January 2012 £	29 January 2011 £
Equity instruments	364,364	378,664
Debt instruments	466,615	356,892
Cash	175,339	373,280
Other assets	<u>177,954</u>	<u>172,054</u>
	<u>1,184,272</u>	<u>1,280,890</u>

Actual return on scheme's assets

	30 January 2011 to 28 January 2012 £	31 January 2010 to 29 January 2011 £
Actual return on scheme assets	<u>67,101</u>	<u>81,295</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	30 January 2011 to 28 January 2012 £	31 January 2010 to 29 January 2011 £
Present value at start of period	1,045,024	1,020,697
Actuarial gains and losses	109,974	3,973
Interest cost	57,525	56,158
Benefits paid	(35,569)	(35,803)
Present value at end of period	<u>1,176,954</u>	<u>1,045,025</u>
Analysed as:		
Present value arising from wholly or partly funded schemes	<u>1,176,954</u>	<u>1,045,025</u>

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows

	28 January 2012 %	29 January 2011 %
Discount rate	4 70	5 60
Future pension increases	2 30	3 10
Inflation	3 10	3 60
Expected return on scheme assets - equity	6 20	7 60
Expected return on scheme assets - cash	2 40	4 00
Expected return on scheme assets - other	<u>4 40</u>	<u>5 70</u>

Post retirement (at age 60) mortality assumptions

	28 January 2012 Years	29 January 2011 Years
Current pensioners at retirement age - male	28 30	28 10
Current pensioners at retirement age - female	30 90	30 80
Future pensioners at retirement age - male	31 50	31 30
Future pensioners at retirement age - female	<u>34 10</u>	<u>34 00</u>

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... *continued*

Amounts recognised in the profit and loss account

	30 January 2011 to 28 January 2012 £	31 January 2010 to 29 January 2011 £
Amounts recognised in operating profit/(loss)		
Recognised in arriving at operating profit/(loss)	-	-
Amounts recognised in other finance cost		
Interest cost	57,525	56,158
Expected return on scheme assets	(57,525)	(56,158)
Recognised in other finance cost	-	-
Total recognised in the profit and loss account	-	-

Amounts recognised in the statement of total recognised gains and losses

	30 January 2011 to 28 January 2012 £	31 January 2010 to 29 January 2011 £
Actual return less expected return on scheme assets	9,576	25,137
Effect of irrecoverable surplus	52,335	(235,865)
Changes in assumption	(109,974)	(3,973)
Actuarial gain and losses recognised in the Statement of Total Recognised Gains and Losses	(48,063)	(214,701)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is (£420,772) (2011 - (£372,709))

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

..... continued

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 4 periods are as follows

	28 January 2012 £	29 January 2011 £	30 January 2010 £	31 January 2009 £	2 February 2008 £
Fair value of scheme assets	1,184,272	1,280,890	1,159,541	962,839	1,086,204
Present value of scheme liabilities	(1,176,954)	(1,045,024)	(1,020,697)	(808,809)	(866,189)
Surplus in scheme	<u>7,318</u>	<u>235,866</u>	<u>138,844</u>	<u>154,030</u>	<u>220,015</u>

Experience adjustments:

	28 January 2012 £	29 January 2011 £	30 January 2010 £	31 January 2009 £	2 February 2008 £
Experience adjustments arising on scheme assets	<u>9,576</u>	<u>25,137</u>	<u>89,309</u>	<u>(180,398)</u>	<u>(3,876)</u>
Experience adjustments arising on scheme liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,813)</u>

18 Operating lease commitments

Operating lease payments amounting to £241,000 (2011 £240,000) are due within one year. The leases to which these amounts relate expire as follows

	28 January 2012 £	29 January 2011 £
Land and buildings		
Over five years	<u>241,000</u>	<u>240,000</u>

19 Transactions with related parties

The company is a wholly owned subsidiary of Harrods Group (Holding) Limited (formerly Qatar Holding UK Limited) and has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings

There are no other related party transactions

Harrods Estates Limited

Notes to the Financial Statements for the Period from 30 January 2011 to 28 January 2012

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20 Ultimate parent undertaking

Harrods Estates Limited is a company registered in England and Wales. The ultimate United Kingdom parent undertaking of Harrods Estates Limited is Harrods Group (Holding) Limited (formerly Qatar Holding UK Limited). The largest group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) Limited (formerly Qatar Holding UK Limited) and the smallest such group of undertakings, including the company, is headed by Harrods Limited. The group accounts will be filed with the Registrar of Companies in due course.

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.