

GENAVCO HOLDINGS LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

52 WEEKS ENDED 29 JANUARY 2000



Company Number: 1703446

GENAVCO HOLDINGS LIMITED

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GENAVCO HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and the audited accounts of the Company for the 52 weeks ended 29 January 2000.

Principal Activity

Throughout the period under review, the Company acted as the holding company for its insurance broking subsidiary, Genavco Insurance Limited, a company registered in England and Wales.

Directors and their Interests

The present Directors of the Company are:-

Mr. P.K. Winstone

Mr. M.J. McClymont

Mr. D Meur (Managing)

Mr. A. Tanna - appointed 22 February 2000

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

No Director in office at 29 January 2000 held any beneficial interest in the shares of Harrods Holdings Limited (formerly Harrods Holdings plc) or any of its subsidiaries at 30 January 1999, date of appointment, or at 29 January 2000.

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

Results & Dividends

The profit after tax for the 52 weeks to 29 January 2000 was £NIL (1999: £163,000).

No dividend has been paid for the period to 29 January 2000 (1999 £163,000).

Year 2000

A Group-wide programme, designed to address the impact of the Year 2000 on the business, was commissioned by the Harrods Holdings Limited (formerly Harrods Holdings plc) Board during 1997. As a result of the work performed we successfully crossed the Century boundary without experiencing any significant system problems.

Although it is not possible for any organisation to guarantee that no Year 2000 problems will remain, we do not anticipate that any significant issues will arise at future Year 2000 sensitive dates as we move forward into the new Century.

GENAVCO HOLDINGS LIMITED
DIRECTORS' REPORT (Continued)

Auditors

PricewaterhouseCoopers 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.

Statement of Directors' Responsibilities

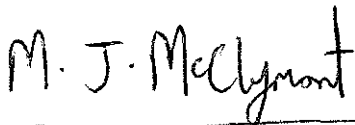
The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors have prepared the financial statements on pages 4 to 7 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



M J McClymont
Company Secretary
2 May 2000

Registered Office

Bankside House
107-112 Leadenhall Street
London EC3A 4AF

GENAVCO HOLDINGS LIMITED
AUDITORS' REPORT
TO THE MEMBERS OF GENAVCO HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 6.

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 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.

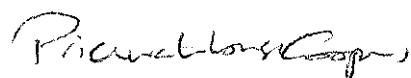
Basis of Opinion

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 29 January 2000 and of its result for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants
and Registered Auditors
London
2 May 2000

GENAVCO HOLDINGS LIMITED
 PROFIT AND LOSS ACCOUNT
 52 WEEKS TO 29 JANUARY 2000

	52 Weeks 29/1/00 £	52 Weeks 30/1/99 £
Operating Profit		
Income from shares in group undertakings	_____ -	_____ <u>163,000</u>
Profit on Ordinary Activities before Taxation	-	163,000
Taxation	_____ -	_____ -
Profit on Ordinary Activities after Taxation	-	163,000
Dividends	_____ -	_____ <u>163,000</u>
Retained Result Transferred to/(from) Reserves	===== -	===== -

The movements on the profit and loss account is shown in Note 5.

The Company has no recognised gains and losses other than those included in the profits above, therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 6 to 7 form part of these accounts.

GENAVCO HOLDINGS LIMITED
BALANCE SHEET
AT 29 JANUARY 2000

		29/1/00 £	30/1/99 £
Note			
	Fixed Assets		
3	Investments	<u>100,000</u>	<u>100,000</u>
	Total Assets less Current Liabilities	<u>100,000</u>	<u>100,000</u>
	Capital and Reserves		
4	Called up share capital	100,000	100,000
5	Profit and loss account	<u>-</u>	<u>-</u>
	Total Shareholders' Funds	<u>100,000</u>	<u>100,000</u>

The notes on pages 6 to 7 form part of these accounts.

Approved by the Board on 2 May 2000

D Meur

D Meur

MANAGING DIRECTOR

GENAVCO 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 in accordance with applicable accounting standards.

Consolidated accounts for Genavco Holdings Limited, incorporating its wholly owned subsidiary Genavco Insurance Limited, have not been prepared as permitted by Section 228 of the Companies Act 1985.

Cash Flow Statement

The ultimate United Kingdom holding company Harrods Holdings Limited (formerly Harrods Holdings plc), produces a consolidated Cash Flow Statement in accordance with Financial Reporting Standard One (FRS 1 revised 1996). Consequently the Company has taken advantage of the exemption in FRS 1 from producing a Cash Flow Statement.

2 Information regarding Directors and Employees

No Director received any emoluments in respect of his services to the Company (1999 - £nil).

The Directors received a total of £266,681 in remuneration from the subsidiary, Genavco Insurance Limited, in respect of their services to that company (1999 £200,610).

There were no employees during the year (1999 - none).

29/1/00	30/1/99
£	£

3 Fixed Asset Investments

Investment in subsidiary; 500,000 shares (100%) at cost in Genavco Insurance Limited.

<u>100,000</u>	<u>100,000</u>
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4 Called up Share Capital

Authorised, issued and fully paid:

100,000 ordinary shares of £1 each

<u>100,000</u>	<u>100,000</u>
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GENAVCO HOLDINGS LIMITED
NOTES TO THE ACCOUNTS (Continued)

		52 Weeks 29/1/00 £	52 Weeks 30/1/99 £
5	Profit and Loss Account		
	At 30 January 1999	-	-
	Retained profit for period	<u> </u>	<u> </u>
	Balance at 29 January 2000	<u> </u>	<u> </u>
6	Reconciliation of Movement in Shareholders' Funds		
	Profit for the financial year	-	163,000
	Dividends	<u> </u>	<u>(163,000)</u>
	Net addition to shareholders' funds	-	-
	Opening shareholders' funds	<u>100,000</u>	<u>100,000</u>
	Closing shareholders' funds	<u>100,000</u>	<u>100,000</u>

7 **Contingent Liabilities**

The Harrods Holdings Group's working capital facility from HSBC Bank plc, which amounted to £144.3 million as at 29 January 2000, is guaranteed by Genavco Holdings Limited and other Group companies.

8 **Parent Undertakings**

The Company's immediate parent undertaking is Harrods (UK) Limited (formerly Harrods (UK) plc. The immediate parent undertaking of Harrods (UK) Limited (formerly Harrods (UK) plc) is Harrods Holdings Limited (formerly Harrods Holdings 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 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.