METRO BUSINESS AVIATION (HEATHROW) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

52 WEEKS ENDED 1 FEBRUARY 2003

Registered Number: 1993771

METRO BUSINESS AVIATION (HEATHROW) LIMITED

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METRO BUSINESS AVIATION (HEATHROW) LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the unaudited financial statements of the Company for the 52 weeks ended 1 February 2003.

Principal Activity

The Company did not trade or conduct any other activities during the 52 weeks ended 1 February 2003. No changes are expected in the immediate future.

Directors and their Interests

The present Directors of the Company are:

S Jerman
A Tanna
J Byrne (appointed 01.08.02)

The other Director who served during the period was:

WC Najdecki (resigned 03.06.02)

No Director in office at 1 February 2003 held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at 3 February 2002, at date of appointment or at 1 February 2003.

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

Elective Resolutions

On 23 January 2002, the Company passed Elective Resolutions dispensing with the holding of Annual General Meetings; the laying of accounts in general meetings and the annual appointment of auditors, in accordance with Sections 366A, 252 and 386 (all as amended) of the Companies Act 1985, respectively.

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' Responsibilities

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year that 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. 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 4 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 3 February 2003 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 Dean
Secretary
25 November 2003

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

METRO BUSINESS AVIATION (HEATHROW) LIMITED

BALANCE SHEET
AT 1 FEBRUARY 2003

Note		1/2/03 £	2/2/02 £
	Debtors:		
	Amounts owed by group undertakings	1,000	1,000
	Capital and Reserves		
3	Called up share capital	1,000	1,000

For the 52 weeks ended 1 February 2003 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

(i) ensuring the company keeps accounting records which comply with section 221; and

(ii) preparing accounts 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 its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The accompanying notes form an integral part of these financial statements.

Approved by the board on 25 November 2003.

A Tanna
DIRECTOR

NOTES TO THE ACCOUNTS

1 Accounting Policies

Basis of Preparation

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

2 Information regarding Directors and Employees

No emoluments were paid to the Directors of the Company during the year (2002- £nil).

The Company did not employ any persons or incur any staff costs during the year (2002- £nil).

	1/2/03	2/2/02
	£	£
3 Called Up Share Capital		
Authorised:		
11,000 ordinary shares of £1 each	11,000	11,000
Issued and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000

The Company converted its redeemable cumulative participating preferred shares into Ordinary shares on 23 January 2002 and its Memorandum of Association was amended accordingly.

4 Reconciliation of movement in shareholders' funds

Opening shareholders' funds	1,000	1,000
Closing shareholders' funds	1,000	1,000

5 Parent Undertakings

The Company's immediate parent undertaking is Harrods Aviation Limited (formerly Metro Business Aviation Limited). The ultimate UK parent undertaking of Harrods Aviation Ltd 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 and, as permitted by Financial Reporting Standard 8 "Related Party Disclosures", transactions with other entities in the Harrods Holdings Group are not disclosed.