

**K G GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**53 WEEKS ENDED 2 FEBRUARY 2002**



**Registered Number: 2121864**

# **K G GROUP LIMITED**

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# **K G GROUP LIMITED**

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the 53 weeks ended 2 February 2002.

### **Principal Activity**

The Company did not trade or conduct any other activities during the 53 weeks ended 2 February 2002. No changes are expected in the immediate future.

### **Directors and their Interests**

The present Directors of the Company are:

S Jerman  
W C Najdecki  
A Tanna

No Director in office at 2 February 2002 held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at 28 January 2001 or at 2 February 2002.

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.

### **Auditors**

Grant Thornton were appointed auditors on 23 January 2002 to fill a casual vacancy in accordance with Section 388(1) of the Companies Act 1985.

# K G GROUP LIMITED

## 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 2 February 2002 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  
26 June 2002

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

## **K G GROUP LIMITED**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF K G GROUP LIMITED**

We have audited the financial statements of KG Group Limited for the period ended 2 February 2002 which comprise the principal accounting policies, the balance sheet, and notes 1 to 5 on page 5. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of Directors and Auditors**

The Directors' responsibilities for preparing the Directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 Companies Act 1985. 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 with the Company is not disclosed.

We read other information contained in the Directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

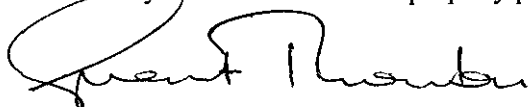
#### **Basis of Opinion**

We conducted our audit in accordance with United Kingdom 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 2 February 2002 and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON**  
**REGISTERED AUDITORS**  
**CHARTERED ACCOUNTANTS**  
London  
26 June 2002

**K G GROUP LIMITED**

**BALANCE SHEET  
AT 2 FEBRUARY 2002**

Note	2/2/02 £	27/1/01 £
<b>Current Assets</b>		
Debtors:		
Amounts owed by group undertakings	<u>2</u>	<u>2</u>
<b>Net Assets</b>	<u><u>2</u></u>	<u><u>2</u></u>
<b>Capital and Reserves</b>		
3 Called up share capital	<u>2</u>	<u>2</u>
4 <b>Shareholders' funds</b>	<u><u>2</u></u>	<u><u>2</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 26 June 2002.



A Tanna  
DIRECTOR



**K G GROUP LIMITED**  
**NOTES TO THE ACCOUNTS**

**1 Accounting Policies**

**Basis of Preparation of Financial Statements:**

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 (2001- £nil).

The Company did not employ any persons or incur any staff costs during the year (2001 - £nil).

**3 Called Up Share Capital**

Authorised:

1,000 ordinary shares of £1 each

**2/2/02**  
**£**

**27/1/01**  
**£**

1,000

1,000

Issued and fully paid:

2 ordinary shares of £1 each

2

2

**4 Reconciliation of movement in shareholders' funds**

Opening shareholders' funds

2

2

Closing shareholders' funds

2

2

**5 Parent Undertakings**

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