

**AIR HARRODS LIMITED**

**FINANCIAL STATEMENTS**

**For the Period ended  
29 January 2011**

THURSDAY



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COMPANIES HOUSE

**Company no 3165147**

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The directors present their report together with the audited financial statements for the period ended 29 January 2011.

**Principal activity**

The company provides a premium executive helicopter charter service

**Business review**

There was a loss for the period after taxation amounting to £2.7 million (2010: £2.8 million); this included an exceptional charge of £1.3 million (2010: £1.2 million) for an onerous lease as described in note 3.

**Directors**

The present membership of the Board is set out below.

K A Bayes  
P D Norton  
S Tierney  
A M Al-Sayed  
H Al-Abdulla  
K Al Kuwari  
K Maamria

**Policy and practice on payment of creditors**

It is the company's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms. Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the policy is that any valid invoice will be paid in full. The company is sympathetic to, and pays particular attention to, the cash flow needs of its smaller suppliers. Trade creditors at the period end amounted to 22 days (20 days) of average supplied for the period.

**Credit risk**

The company's principal credit risk relates to the recovery of trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent,
- UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 each of the directors is aware:

- there is no relevant audit information of which the company's auditor 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 auditor 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.

**Auditors**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial period in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act.

BY ORDER OF THE BOARD



P D Norton  
Finance Director

13 October 2011

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

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AIR HARRODS LIMITED**

We have audited the financial statements of Air Harrods Limited for the period ended 29 January 2011 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes on pages 11 to 22. 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 13 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 Directors' Responsibilities Statement 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 January 2011 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

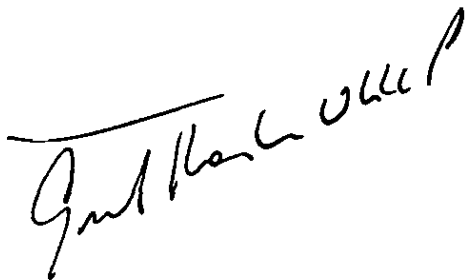
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
AIR HARRODS LIMITED**

**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.



Simon J Lowe  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

13/10/14

### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards.

Air Harrods Limited's parent undertaking, Qatar Holding UK Limited produces a consolidated cash flow statement in accordance with Financial Reporting Standard 1 "Cash Flow Statements" ("FRS 1"). Consequently the company has taken advantage of the exemption in FRS 1 from producing a cash flow statement

The company is also exempt under the terms of FRS 8, "Related Party Disclosures", from disclosing related party transactions with other group companies

The principal accounting policies of the company are set out below.

The financial statements have been prepared on a going concern basis on the assumption that other group companies will make adequate funds available to the company, should they be required, for a period of at least 12 months from the date of approval of these financial statements and will not seek repayment of the amounts currently made available if this would adversely impact the position of the company

### **Turnover**

Turnover represents the total amount receivable by the company for services provided, excluding VAT

### **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

Equipment	20% - 33%
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Aircraft which are acquired as long-term business assets are depreciated over their expected useful lives at 3% of their cost on a straight line basis.

### **Leased assets**

Rentals payable under operating leases are charged on a straight-line basis to the profit and loss account over the term of the lease.

### **Deferred taxation**

Deferred tax is recognised on an undiscounted basis 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.

### **Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.



**Contributions 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**

The company is a member of the Harrods Group Pension Plan under which retirement benefits are funded by contributions from the company. Payment is made to the pension trust, which is separate from the company and Harrods Holdings Group, in accordance with calculations made periodically by consulting actuaries.

The company has adopted the provisions of FRS 17 'Retirement Benefits'. 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 recognised 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

**AIR HARRODS LIMITED**  
**PROFIT AND LOSS ACCOUNT**

For the period ended 29 January 2011

		52 weeks ended 29 January 2011 £ '000	52 weeks ended 30 January 2010 £ '000
	Note		
Turnover	1	2,966	2,723
Cost of sales		<u>(5,854)</u>	<u>(5,517)</u>
Gross loss		(2,888)	(2,794)
Other operating income	2	6	6
Other operating charges		<u>(349)</u>	<u>(392)</u>
Operating loss		(3,231)	(3,180)
Net interest payable	4	<u>(502)</u>	<u>(708)</u>
Loss on ordinary activities before taxation	3	(3,733)	(3,888)
Tax on loss on ordinary activities	6	1,069	1,099
Loss for the financial period	13,14	<u><u>(2,664)</u></u>	<u><u>(2,789)</u></u>

All transactions arise from continuing operations.

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

**AIR HARRODS LIMITED**  
BALANCE SHEET AT 29 January 2011

	Note	At 29 January 2011 £ '000	At 30 January 2010 £'000
<b>Fixed assets</b>			
Tangible assets	7	<u>3,318</u>	<u>3,436</u>
<b>Current assets</b>			
Debtors	8	4,297	4,306
Cash at bank and in hand		<u>79</u>	<u>112</u>
		<u>4,376</u>	<u>4,418</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,037)</u>	<u>(1,004)</u>
<b>Net current assets</b>		<u>3,339</u>	<u>3,414</u>
<b>Total assets less current liabilities</b>		<u>6,657</u>	<u>6,850</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(8,580)	(7,355)
<b>Provisions for liabilities</b>	11	(2,834)	(1,537)
<b>Retirement benefit surplus</b>	17	-	95
<b>Net liabilities</b>		<u>(4,757)</u>	<u>(1,947)</u>
<b>Capital and reserves</b>			
Called up share capital	12	10,700	10,700
Profit and loss account	13	<u>(15,457)</u>	<u>(12,647)</u>
<b>Shareholders' deficit</b>	14	<u>(4,757)</u>	<u>(1,947)</u>

The financial statements were approved by the Board of Directors on 13 October 2011



P D Norton - Finance Director

Company registration no 3165147

The accompanying accounting policies and notes form an integral part of these financial statements

**AIR HARRODS LIMITED****Other Primary Statements**For the period ended 29 January 2011

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**Statement of Total Recognised Gains and Losses**

	52 weeks ended 29 January 2011 £ '000	52 weeks ended 30 January 2010 £ '000
Loss for the financial period	(2,664)	(2,789)
Actuarial loss on pension scheme (net of tax)	(146)	(66)
Total recognised gains and losses for the period	<u>(2,810)</u>	<u>(2,855)</u>

**1 Turnover**

In the opinion of the directors, the company conducts only one class of business, in one significant geographical area, being the United Kingdom.

**2 Other operating income**

Other income of £6,000 (2010: £6,000) was received from non-trading rental income during the period.

**3 Loss on ordinary activities before taxation**

The loss on ordinary activities before taxation is stated after:

	52 weeks ended 29 January 2011 £ '000	52 weeks ended 30 January 2010 £ '000
Auditors' remuneration: Audit services	12	12
Depreciation: Tangible fixed assets owned	118	119
Other operating lease rentals	1,141	1,273
Exceptional provision for onerous lease	1,300	1,200

The directors consider that a provision of £1.3m (2010: £1.2m) was necessary to meet the expected future costs of two helicopter leases, on the aircrafts known as G-FULM and G-WIWI. The company is obligated to pay lease rentals until 2015 and 2018 respectively, but sees no way in the current market of these helicopters making a profit during this period. The provision represents the best estimate of the minimum future rental liabilities through to an estimated date of the obligation ceasing, either by lease cancellation following a disposal or sub-lease to a third party

**4 Interest payable and similar charges**

	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
Interest receivable:		
Other interest receivable	-	-
Payable to group undertakings:		
Loans repayable wholly or in part after 5 years	(479)	(333)
Bank loan:		
Loans repayable wholly or in part within 5 years	(54)	(68)
Exceptional gain/ (loss) on revaluation of US Dollar denominated deposits	31	(301)
Other finance expense (FRS 17)	-	(6)
	<u>(502)</u>	<u>(708)</u>

**5 Directors and employees**

Staff costs during the period were as follows:

	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
Wages and salaries	879	815
Social security costs	95	90
Other pension costs	65	50
	<u>1,039</u>	<u>955</u>

The average number of employees of the company during the period was 11 (2010: 11).

**Directors and employees (continued)**

Remuneration in respect of directors was as follows:

	52 weeks ended 29 January 2011 £ '000	52 weeks ended 30 January 2010 £ '000
Salary	148	119
Other pension costs	10	11
	<u>158</u>	<u>130</u>

During the period one director (2010: one) participated in defined contribution pension schemes.

**6 Tax on loss on ordinary activities**

The tax credit is based on the loss for the period and represents

	52 weeks ended 29 January 2011 £ '000	52 weeks ended 30 January 2010 £ '000
Group relief	(1,086)	(1,161)
	<u>(1,086)</u>	<u>(1,161)</u>
FRS 17 Deferred tax	20	21
Origination and reversal of timing differences	(3)	41
Total deferred tax	<u>17</u>	<u>62</u>
Tax on loss on ordinary activities	<u>(1,069)</u>	<u>(1,099)</u>

Factors affecting tax credit for period.

The tax assessed for the period is lower/higher than the standard rate of corporation tax in the United Kingdom 28% (2010: 28%). The differences are explained as follows:

Loss on ordinary activities before tax	<u>(3,733)</u>	<u>(3,888)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2010: 28%)	<u>(1,045)</u>	<u>(1,089)</u>
Effect of:		
Prior period adjustment	25	(9)
Income and expenses relieved on cash basis	(34)	(23)
Expenses not deductible for tax purposes	1	-
Capital allowances for the period in excess of depreciation	(33)	(40)
Other	-	-
Current tax credit for period	<u>(1,086)</u>	<u>(1,161)</u>

**7 Tangible fixed assets**

	Aircraft and equipment £ '000
<b>Cost</b>	
At 31 January 2010	3,778
Additions	-
Disposals	(92)
At 29 January 2011	<u>3,686</u>
<b>Depreciation</b>	
At 31 January 2010	(342)
Provided in the period	(118)
Disposals	92
At 29 January 2011	<u>(368)</u>
Net book amount at 29 January 2011	<u>3,318</u>
Net book amount at 30 January 2010	<u>3,436</u>

**8 Debtors**

	At 29 January 2011 £ '000	At 30 January 2010 £ '000
Trade debtors	226	296
Amounts owed by other group undertakings	1,086	1,152
Other debtors - Security deposit on operating leases	2,730	2,772
Prepayments and accrued income	255	86
	<u>4,297</u>	<u>4,306</u>

The security deposit is secured against the obligations of Fayair (Jersey) Co. Limited, formally a related party



**9 Creditors: amounts falling due within one year**

	At 29 January 2011 £ '000	At 30 January 2010 £ '000
Bank loan	338	338
Trade creditors	274	247
Accruals and deferred income	425	419
	<u>1,037</u>	<u>1,004</u>

**10 Creditors: amounts falling due after more than one year**

	At 29 January 2011 £ '000	At 30 January 2010 £ '000
Bank loans	1,410	1,748
Amounts owed to parent undertaking	7,170	5,607
	<u>8,580</u>	<u>7,355</u>

Amounts due to group undertakings are unsecured and have no fixed date of payment. Interest is charged on balances outstanding at the rate of 7 11% per annum netted against cash balances at base rate.

Amounts due in respect of bank loans are secured against the Air Harrods helicopter fleet. Interest is payable monthly over five years. Bank loans are repayable in equal monthly instalment of £28,167 from 24 December 2007 to December 2012.

Borrowings  
Borrowings are repayable as follows:

	At 29 January 2011 £ '000	At 30 January 2010 £ '000
Within one year		
Bank loans	338	338
After one and within two years		
Bank loans	1,410	1,748
After five years:		
Amounts owed to parent undertaking	7,170	5,607
	<u>8,918</u>	<u>7,693</u>

# **11 Deferred taxation and provisions for liabilities**

Deferred taxation provided for in the financial statements is set out below. There were no un-provided amounts of deferred taxation at 29 January 2011 or 30 January 2010.

	Amount provided	
	At 29 January 2011 £ '000	At 30 January 2010 £ '000
At 31 January 2010	(337)	(296)
Charged to profit and loss account	3	(41)
At 29 January 2011	<u>(334)</u>	<u>(337)</u>
<b>Deferred taxation provided in the financial statements</b>		
Other timing differences	<u>(334)</u>	<u>(337)</u>
<b>Provisions provided in the financial statements</b>		
Onerous lease provision	<u>(2,500)</u>	<u>(1,200)</u>
<b>Deferred taxation and provisions for liabilities provided in the financial statements</b>	<u><u>(2,834)</u></u>	<u><u>(1,537)</u></u>

# **12 Called up share capital**

	At 29 January 2011 £	At 30 January 2010 £
Authorised		
10,700,100 ordinary shares of £1 each	<u>10,700,100</u>	<u>10,700,100</u>
Allotted, called up and fully paid		
10,700,002 ordinary shares of £1 each	<u>10,700,002</u>	<u>10,700,002</u>

# **13 Reserves**

	Profit and loss account £ '000
At 30 January 2010	(12,647)
Loss for the period	(2,664)
Actuarial loss on pension scheme	(146)
At 29 January 2011	<u><u>(15,457)</u></u>

**14 Reconciliation of movements in shareholders' deficit**

	At 29 January 2011 £'000	At 30 January 2010 £'000
Loss retained for the period	(2,664)	(2,789)
Actuarial loss - FRS17	(146)	(66)
Shareholders' (deficit)/ funds at 30 January 2010	(1,947)	908
Shareholders' deficit at 29 January 2011	<u>(4,757)</u>	<u>(1,947)</u>

**15 Capital commitments**

There were no capital commitments at 29 January 2011 (30 January 2010 £nil).

**16 Contingent assets/liabilities**

The Harrods Holdings Group's cash netting facility is guaranteed by Air Harrods Limited and other Group Companies.

There were no other contingent liabilities at 29 January 2011 (30 January 2010 £nil)

## **17 Retirement benefit obligations**

### **Pension schemes operated**

During the period the group principally operated two schemes.

- (i) the Harrods Retirement Savings Plan ("the Stakeholder Scheme"), which is an approved defined contribution scheme; it was established in April 2006 and is provided and managed by Fidelity International.
- (ii) the Harrods Group Pension Plan ("the Plan"), which is an approved defined benefit scheme.

### **Stakeholder Scheme**

The pension cost under the defined contribution scheme amounted to £65k (2010: £50k). No pension accrual (2010: £nil) is included in the balance sheet in relation to this scheme.

### **Defined Benefit Pension Scheme ("the Plan")**

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 £103.0 million as at 5 April 2009. An updated funding position at 31 December 2009 revealed a shortfall in assets of £88 million, 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:

- Monthly contributions for the remainder of the year totaling £14m per annum with effect from April 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 seven year 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 29 January 2011, the participating employers made total contributions to the plan of £31.6m (2010: £31.4m)

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

The UK Government announced on 8 July 2010 that statutory pension increases or revaluations would be based on the Consumer Price Index (CPI) measure of price inflation from 2011, rather than RPI.

Based on legal advice received by the Plan's Trustees and the wording in the Plan's Trust Deed and Rules, future revaluation in deferment will be based on the CPI index from 2011. However, increases to pension payments continue to be linked to RPI, subject to limits specified in the Plan's Trust Deed and Rules.

For the period ended 29 January 2011

The impact on the plan's obligations as a result of the move from RPI to CPI for future revaluation of deferred pensions was a gain of £13m (2010 £nil) and is included in the actuarial gain for the period ending 29 January 2011

### Financial Reporting Standard 17 Disclosures

Mercer, the actuaries and administrators to the plan, as appointed by the Pension Trustees, carried out a valuation of the plan's assets and liabilities.

The major assumptions used by the actuary were.

	% per annum	
	29 January 2011	30 January 2010
Discount rate	5.6%	5.6%
Inflation assumption	3.6%	3.6%
Rate of increase in salaries	n/a	n/a
Rate of pension increases in deferment ***	3.1%	3.6%
Rate of pension increases (LPI 5%)	3.4%	3.4%
Rate of pension increases (LPI 2.5%)	2.3%	2.3%
Longevity at age 60 for current pensioners		
- Men	28.1	26.9
- Women	30.8	29.8
Longevity at age 60 for future pensioners		
- Men	31.3	28.0
- Women	34.0	30.8

\*\*\* Note this reflects the move to CPI linkage for future increases in deferment

The market value of the assets in the Plan, the expected long-term rate of return from them and the present value of Plan liabilities, all as defined in accordance with FRS 17 and valued by the qualified independent actuary were as follows:

	As at 29 January 2011		As at 30 January 2010	
	£'000	Expected long-term rate of return % per annum	£'000	Expected long-term rate of return % per annum
Equities	358	7.6%	310	7.6%
Equity option	-		-	
Corporate bonds	197	5.4%	160	5.4%
Government bonds	141	4.1%	138	4.1%
Total return investments	163	7.6%	148	7.6%
Other	4	4.0%	2	4.0%
Cash	349	4.0%	339	4.0%
<b>Total assets held by the plan</b>	<b>1,212</b>	<b>6.1%</b>	<b>1,097</b>	<b>6.1%</b>
Present value of plan liabilities	(989)		(966)	
<b>Surplus in the Plan</b>	<b>223</b>		<b>131</b>	
Irrecoverable surplus	(223)		-	
<b>Surplus recognised in balance sheet</b>	<b>-</b>		<b>131</b>	
Related deferred tax asset	-		(36)	
<b>Net pension asset</b>	<b>-</b>		<b>95</b>	

**Retirement benefit obligations (continued)**

	29 January 2011 £'000	30 January 2010 £'000
Analysis of amounts charged to operating profit		
Current service cost	-	-
Effect of Curtailment and settlements	-	-
Total operating credit	-	-

**Analysis of amounts included as other finance costs**

Expected return on pension plan assets	53	45
Interest cost on pension plan liabilities	(53)	(50)
Net financial cost	-	(5)

**Analysis of amounts recognised in statement of total recognised gains and losses**

Actuarial (gain)/ loss immediately recognised	(20)	92
Effect of surplus cap	223	-
Actuarial loss recognised in statement of total recognised gains and losses	203	92

**Changes in the benefit obligation during the period were as follows:**

Benefit obligation at beginning of period	966	765
Interest cost	53	50
Actuarial losses	4	177
Benefits paid	(34)	(26)
Benefit obligation at end of period	989	966

**Changes in the plan assets during the period were as follows:**

Fair value of plan assets at beginning of period	1,097	911
Expected return on plan assets	53	45
Actuarial gains	24	84
Employer contributions	72	83
Benefits paid	(34)	(26)
Fair value of plan assets at period end	1,212	1,097

**The actual return on plan assets was as follows:**

Actual return on plan assets	77	129
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For the period ended 29 January 2011

**Retirement benefit obligations (continued)**

**History of experience gains and losses**

The following disclosures provide five year history for the company:

	29 January 2011		30 January 2010		31 January 2009		2 February 2008		3 February 2007	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Benefit obligation at end of period	(989)		(966)		(765)		(820)		(895)	
Fair value of plan assets at end of period	1,212		1,097		911		1,028		837	
Surplus/ (deficit) in the plan	223		131		146		208		(58)	
Difference between actual and expected return on assets	24	2.3%	84	7.7%	(171)	(18.7%)	(4)	(0.4%)	8	0.9%
Experience (losses)/gains on plan liabilities	-	-	-	-	-	-	(14)	(1.7%)	(31)	(3.5%)
Amount recognised in statement of total recognised gains and losses	(203)	(21.3%)	(92)	(9.5%)	(69)	(9%)	18	2.1%	88	9.8%

Cumulative amount of gains/ (losses) immediately recognised in Statement of Total Recognised Gains and Losses since introduction of FRS17 is a loss of £353k (2010: loss of £150k).

**18 Leasing commitments**

Operating lease payments amounting to £1,183,000 (2010 £1,314,000) are due within one year. The leases to which these amounts relate expire as follows:

	29 January 2011		30 January 2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	42	-	41	-
In five years or more	-	1,141	-	1,273
	<u>42</u>	<u>1,141</u>	<u>41</u>	<u>1,273</u>

## **19 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

	52 weeks at 29 January 2011 £ '000	52 weeks at 30 January 2010 £ '000
Fees charged to Fayar (Jersey) Co Ltd (Up to 7 May 2010)	9	14
Fees charged to Mr M Al Fayed (Up to 7 May 2010)	<u>52</u>	<u>10</u>
At the period end, balances with companies under common control were		£'000
Owed by Fayar (Jersey) Co Ltd (Not related party since 7 May 2010)	-	1
Owed by Mr M Al Fayed (Not related party since 7 May 2010)	<u>-</u>	<u>10</u>

There are no other related party transactions.

## **20 Controlling related party(ies)**

At 29 January 2011 the immediate parent undertaking of Air Harrods Limited is Harrods Aviation Limited.

The largest and smallest group for which consolidated financial statements are publicly available is Qatar Holding UK Limited, a company registered in England and Wales. The group financial statements 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.