

AIR HARRODS LIMITED

FINANCIAL STATEMENTS

**For the Period ended
30 JANUARY 2010**

WEDNESDAY



LD4 *LGRWVOLS* 51
27/10/2010
COMPANIES HOUSE

Company no 3165147

INDEX

PAGE

Report of the directors	1 – 3
Report of the independent auditor	4 – 5
Principal accounting policies	6 – 7
Profit and loss account	8
Balance sheet	9
Other primary statements	10
Notes to the financial statements	11 – 23

The directors present their report together with the audited financial statements for the period ended 30 January 2010.

Principal activity

The company provides a premium executive helicopter charter service

Business review

There was a loss for the year after taxation amounting to £2,788,723 (2009: £416,300). This includes an exceptional charge of £1,200,000 for an onerous lease as described in note 3. The directors do not recommend the payment of a dividend (2009: £nil)

Directors

The present membership of the Board is set out below.

K A Bayes
P D Norton
S Tierney
A M Al-Sayed (appointed 7 May 2010)
A Armstrong (appointed 7 May 2010, resigned 28 June 2010)
H Al-Abdulla (appointed 7 May 2010)
K Al Kuwan (appointed 7 May 2010)
K Maamra (appointed 8 July 2010)
R J Fallowfield (resigned 7 May 2010)
O Al Fayed (resigned 3 March 2009, reappointed 9 April 2010, resigned 7 May 2010)

No director has had a material interest, directly or indirectly, at any time during the period in any contract.

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 20 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to.

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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

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 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 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.

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.

AIR HARRODS LIMITED
REPORT OF THE DIRECTORS

Auditors

Grant Thornton UK 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 ORDER OF THE BOARD



P D Norton
Director
19th October 2010

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 30 January 2010 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the notes 1 to 20. 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, 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 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/UKNP.

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 30 January 2010 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

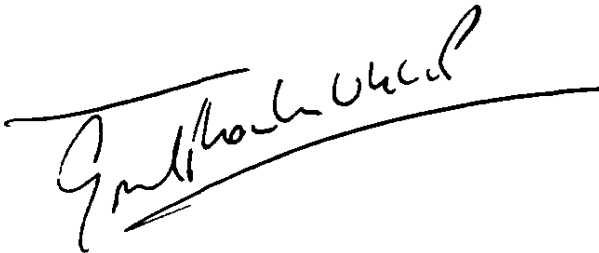
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE 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.

A handwritten signature in black ink, appearing to read 'Simon J Lowe', is written over a horizontal line.

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

24th October 2010

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 (formerly AIT UK Holdings 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%
-----------	-----------

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 30 JANUARY 2010

	Note	52 weeks ended 30 January 2010 £ '000	52 weeks ended 31 January 2009 £ '000
Turnover	1	2,723	3,508
Cost of sales		<u>(5,517)</u>	<u>(4,495)</u>
Gross loss		(2,794)	(987)
Other operating income	2	6	6
Other operating charges		<u>(392)</u>	<u>(519)</u>
Operating loss		(3,180)	(1,500)
Exceptional items		<u>-</u>	<u>566</u>
Loss after exceptional items		(3,180)	(934)
Net interest (payable)/ receivable	4	<u>(708)</u>	<u>408</u>
Loss on ordinary activities before taxation	3	(3,888)	(526)
Tax on loss on ordinary activities	6	1,099	110
Loss for the financial period	13,14	<u><u>(2,789)</u></u>	<u><u>(416)</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 30 JANUARY 2010

	Note	At 30 January 2010 £ '000	At 31 January 2009 £ '000
Fixed assets			
Tangible assets	7	<u>3,436</u>	<u>3,545</u>
Current assets			
Debtors	8	4,306	3,882
Cash at bank and in hand		<u>112</u>	<u>269</u>
		<u>4,418</u>	<u>4,151</u>
Creditors: amounts falling due within one year	9	<u>(1,004)</u>	<u>(911)</u>
Net current assets		<u>3,414</u>	<u>3,240</u>
Total assets less current liabilities		<u>6,850</u>	<u>6,785</u>
Creditors: amounts falling due after more than one year	10	(7,355)	(5,686)
Provisions for liabilities and charges	11	(1,537)	(296)
Retirement benefit surplus	17	<u>95</u>	<u>105</u>
Net (liabilities)/ assets		<u>(1,947)</u>	<u>908</u>
Capital and reserves			
Called up share capital	12	10,700	10,700
Profit and loss account	13	<u>(12,647)</u>	<u>(9,792)</u>
Shareholders' (deficit)/ funds	14	<u>(1,947)</u>	<u>908</u>

The financial statements were approved by the Board of Directors on ^{14th} October 2010.



P D Norton - 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 30 JANUARY 2010

Statement of Total Recognised Gains and Losses

	52 weeks ended 30 January 2010 £ '000	52 weeks ended 31 January 2009 £ '000
Loss for the financial period	(2,789)	(416)
Actuarial (loss) on pension scheme (net of tax)	<u>(66)</u>	<u>(50)</u>
Total recognised gains and losses for the period	<u>(2,855)</u>	<u>(466)</u>

AIR HARRODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

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 (2009: £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 30 January 2010 £ '000	52 weeks ended 31 January 2009 £ '000
Auditors' remuneration:		
Audit services	(12)	(12)
Depreciation:		
Tangible fixed assets owned	(119)	(182)
Exceptional gain on sale of helicopter	-	566
Other operating lease rentals	(1,273)	(1,188)
Exceptional provision for onerous lease	<u>(1,200)</u>	<u>-</u>

The directors consider that a provision of £1.2m (2009 nil) was necessary to meet the expected future costs of a helicopter lease, on the aircraft known as G-FULM. The company is obligated to pay lease rentals until 2015, but sees no way in the current market of this helicopter making a profit during this period. The provision represents the best minimum estimate of 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.

AIR HARRODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

4 Interest payable and similar charges

	52 weeks ended 30 January 2010 £ '000	52 weeks ended 31 January 2009 £ '000
Interest receivable:		
Other interest receivable	-	2
Payable to group undertakings:		
Loans repayable wholly or in part after 5 years	(333)	(218)
Bank loan:		
Loans repayable wholly or in part within 5 years	(68)	(190)
Exceptional (loss)/ gain on revaluation of US Dollar denominated deposits	(301)	808
Other finance (expense)/ income (FRS 17)	(6)	6
	<u>(708)</u>	<u>408</u>

5 Directors and employees

Staff costs during the year were as follows.

	52 weeks ended 30 January 2010 £ '000	52 weeks ended 31 January 2009 £ '000
Wages and salaries	815	816
Social security costs	90	90
Other pension costs	50	50
	<u>955</u>	<u>956</u>

The average number of employees of the company during the year was 11 (2009 12).

For the period ended 30 JANUARY 2010

Directors and employees (continued)

Remuneration in respect of directors was as follows:

	52 weeks ended 30 January 2010 £ '000	52 weeks ended 31 January 2009 £ '000
Salary	119	116
Other pension costs	11	11
	<u>130</u>	<u>127</u>

During the period 1 director (2009: one) participated in defined contribution pension schemes

6 Tax on loss on ordinary activities

The tax charge is based on the loss for the year and represents:

	52 weeks ended 30 January 2010 £ '000	52 weeks ended 31 January 2009 £ '000
Group relief	(1,161)	(394)
	<u>(1,161)</u>	<u>(394)</u>
FRS 17 Deferred tax	21	60
Origination and reversal of timing differences	41	224
Total deferred tax	<u>62</u>	<u>284</u>
Tax on loss on ordinary activities	<u>(1,099)</u>	<u>(110)</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% (2009: 30%). The differences are explained as follows:

Loss on ordinary activities before tax	<u>(3,888)</u>	<u>(526)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2009: 28%)	(1,089)	(144)
Effect of:		
Prior year adjustment	(9)	-
Income and expenses assessed/relieved on cash basis	(23)	(39)
Expenses not deductible for tax purposes	-	-
Capital allowances for the period in excess of depreciation	(40)	(211)
Other	-	-
Current tax credit for period	<u>(1,161)</u>	<u>(394)</u>

AIR HARRODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

7 Tangible fixed assets

	Aircraft and equipment £ '000
Cost	
At 1 February 2009	3,768
Additions	10
At 30 January 2010	<u>3,778</u>
Depreciation	
At 1 February 2009	(223)
Provided in the period	(119)
At 30 January 2010	<u>(342)</u>
Net book amount at 30 January 2010	<u>3,436</u>
Net book amount at 31 January 2009	<u>3,545</u>

8 Debtors

	At 30 January 2010 £ '000	At 31 January 2009 £ '000
Trade debtors	296	268
Amounts owed by other group undertakings	1,152	394
Other debtors - Security deposit on operating leases	2,772	3,001
Prepayments and accrued income	86	219
	<u>4,306</u>	<u>3,882</u>

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

AIR HARRODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

9 Creditors: amounts falling due within one year

	At 30 January 2010 £ '000	At 31 January 2009 £ '000
Bank loan	338	338
Trade creditors	247	170
Accruals and deferred income	419	403
	<u>1,004</u>	<u>911</u>

10 Creditors: amounts falling due after more than one year

	2010 £ '000	2009 £ '000
Bank loans	1,748	2,086
Amounts owed to parent undertaking	5,607	3,600
	<u>7,355</u>	<u>5,686</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 30 January 2010 £ '000	At 31 January 2009 £ '000
Within one year:		
Bank loans	338	338
After one and within two years:		
Bank loans	1,748	2,086
After five years:		
Amounts owed to parent undertaking	<u>5,607</u>	<u>3,600</u>
	<u>7,693</u>	<u>6,024</u>

AIR HARRODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

11 Deferred taxation and provisions for liabilities

Deferred taxation provided for in the financial statements is set out below. There were no unprovided amounts of deferred taxation at 30 January 2010 or 31 January 2009.

	Amount provided	
	At 30 January 2010 £ '000	At 31 January 2009 £ '000
At 1 February 2009	(296)	(72)
Charged to profit and loss account	(41)	(224)
At 30 January 2010	<u>(337)</u>	<u>(296)</u>
Deferred taxation provided in the financial statements		
Other timing differences	<u>(337)</u>	<u>(296)</u>
Provisions provided in the financial statements		
Onerous lease provision	<u>(1,200)</u>	<u>-</u>
Deferred taxation and provisions for liabilities provided in the financial statements	<u><u>(1,537)</u></u>	<u><u>(296)</u></u>

12 Called up share capital

	At 30 January 2010 £	At 31 January 2009 £
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 1 February 2009	(9,792)
(Loss) for the period	(2,789)
Actuarial (loss) on pension scheme	(66)
At 30 January 2010	<u>(12,647)</u>

AIR HARRODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

14 Reconciliation of movements in shareholders' (deficit)/ funds

	At 30 January 2010 £'000	At 31 January 2009 £'000
Loss retained for the period	(2,789)	(416)
Actuarial (loss) - FRS17	(66)	(50)
Shareholders' funds at 1 February 2009	908	1,374
Shareholders' (deficit)/ funds at 30 January 2010	<u>(1,947)</u>	<u>908</u>

15 Capital commitments

There were no capital commitments at 30 January 2010, (31 January 2009 £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 contingent liabilities at 30 January 2010 or 31 January 2009.

17 Retirement benefit obligations

During the period the Harrods group principally operated two schemes:

- (i) the Harrods Retirement Savings Plan ("the Stakeholder Scheme"), which is an approved defined contribution scheme, 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 £50k (2009: £50k). No pension accrual (2009: £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 million at that date.

At that time the amended contributions, in order for the Plan to be fully funded by 31 January 2014, were agreed as follows

- contributions totaling £14m per annum with effect from 31 January 2010
- contributions totaling an estimated £0.7m per annum to fund administrative expenses of the Plan, with effect from 31 January 2010
- contribution estimated at £0.3m to fund the Pension Protection Fund levy and other such pension scheme levies as are payable by the employers and Trustee under the terms of the Pension Schemes Act 1993 and the Pensions Act 2004
- recognising the risks inherent in the performance of the financial markets during the five 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 30 January 2010, the participating employers made total contributions to the plan of £31.4m (2009: £11.4m), including all payments under an agreement entered into with the scheme Trustees in 2009 to make an additional lump sum payment into the fund.

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.

For the period ended 30 JANUARY 2010

Financial Reporting Standard 17 Disclosures

Mercer, the new actuaries and administrators to the plan, as appointed by the Pension Trustees in 2008, carried out a valuation of the plan's assets and liabilities. The major assumptions used by the actuary were:

	% per annum	
	30 January 2010	31 January 2009
Discount rate	5.6%	6.7%
Inflation assumption	3.6%	3.5%
Rate of increase in salaries	n/a	n/a
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	26.9	26.8
- Women	29.8	29.8
Longevity at age 60 for future pensioners		
- Men	28.0	28.0
- Women	30.8	30.8

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 30 January 2010		As at 31 January 2009	
	£'000	Expected long-term rate of return % per annum	£'000	Expected long-term rate of return % per annum
Equities	310	7.6%	234	7.7%
Equity option	-		-	
Corporate bonds	160	5.4%	84	6.9%
Government bonds	138	4.1%	139	4.2%
Total return investments	148	7.6%	122	7.7%
Other	2	4.0%	7	
Cash earmarked for investment	178	4.0%	178	
Cash	161	4.0%	147	3.7%
Total assets held by the plan	1,097	6.1%	911	6.6%
Present value of plan liabilities	(966)		(765)	
Surplus in the Plan	131		146	
Irrecoverable surplus	-		-	
Surplus recognised in balance sheet	131		146	
Related deferred tax asset	(36)		(41)	
Net pension asset	95		105	

AIR HARRODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JANUARY 2010

Retirement benefit obligations (continued)

	30 January 2010 £'000	31 January 2009 £'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	45	56
Interest cost on pension plan liabilities	(50)	(50)
Net financial cost	(5)	6

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

Actuarial losses/(gains) immediately recognised	92	99
Effect of surplus cap	-	(30)
Actuarial loss/(gain) recognised in statement of total recognised gains and losses	92	69

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

Benefit obligation at beginning of year	765	819
Interest cost	50	50
Actuarial losses/ (gains)	177	(72)
Benefits paid	(26)	(32)
Benefit obligation at end of period	966	765

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

Fair value of plan assets at beginning of period	911	1,027
Expected return on plan assets	45	56
Actuarial gains/ (losses)	84	(171)
Monies paid from escrow account by employers	-	(102)
Employer contributions	83	133
Benefits paid	(26)	(32)
Fair value of plan assets at period end	1,097	911

The actual return on plan assets was as follows:

Actual return on plan assets	129	(115)
------------------------------	-----	-------

Retirement benefit obligations (continued)

History of experience gains and losses

The following disclosures provide five year history for the company:

	30 January 2010		31 January 2009		2 February 2008		3 February 2007		28 January 2006	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Benefit obligation at year end	(966)		(765)		(820)		(895)		(1,014)	
Fair value of plan assets at end of year	1,097		911		1,028		837		649	
Surplus/ (deficit) in the plan	131		146		208		(58)		(365)	
Difference between actual and expected return on assets	84	7.7%	(171)	(18.7%)	(4)	(0.4%)	8	0.9%	93	14.3%
Experience (losses)/ gains on plan liabilities	-	-	-	-	(14)	(1.7%)	(31)	(3.5%)	(8)	(0.8%)
Amount recognised in statement of total recognised gains and losses	(92)	9.5%	(69)	9%	18	2.1%	88	9.8%	(92)	(9.1%)

Cumulative amount of gains/ (losses) immediately recognised in Statement of Total Recognised Gains and Losses since introduction of FRS17 is a loss of £150k (2009 loss of £58k).

18 Leasing commitments

Operating lease payments amounting to £1,314,000 (2009: £1,474,000) are due within one year. The leases to which these amounts relate expire as follows:

	30 January 2010		31 January 2009	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	41	-	39	-
In five years or more	-	1,273	-	1,435
	<u>41</u>	<u>1,273</u>	<u>39</u>	<u>1,435</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 30 January 2010 £'000	52 weeks at 31 January 2009 £'000
Fees charged to Fayair (Jersey) Co Ltd	14	11
Fees charged to Mr M Al Fayed	<u>10</u>	<u>-</u>
At the year end, balances with companies under common control were:	£'000	£'000
Owed by Fayair (Jersey) Co Ltd	1	-
Owed by Mr M Al Fayed	<u>10</u>	<u>-</u>

There are no other related party transactions

20 Controlling related party(ies)

At 30 January 2010 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 (formerly AIT UK Holdings 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