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HARRODS SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

3 FEBRUARY 2007

Company no 5805671

HARRODS SERVICES LIMITED

FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

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HARRODS SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the period ended 3 February 2007

Principal activity

The Company was incorporated on 4 May 2006. The principal activity of the Company is a Security Employment Agency with all staff currently seconded to a member of the Harrods Holdings Group.

Directors

The present membership of the Board is set out below. All served on the Board throughout the period.

A Tanna (appointed 04 05 06)

J Byrne (appointed 04 05 06)

No director in office at 3 February 2007, held any beneficial interest in the shares of Harrods Holdings Limited or any of its subsidiaries at 4 May 2006, at the time of appointment or at 3 February 2007.

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.

Elective resolutions

On 9 June 2006, 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 section 366A, 252 and 386 (all as amended) of the Companies Act 1985, respectively.

Auditors

During the period Grant Thornton UK LLP were appointed auditors to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985.

Grant Thornton UK LLP, have been appointed as auditors and shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

HARRODS SERVICES LIMITED

REPORT OF THE DIRECTORS

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 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

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

By Order of the Board



S Dean
Secretary

27th July 2007

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARRODS SERVICES LIMITED

We have audited the financial statements of Harrods Services Limited for the period ended 3 February 2007 which comprise the profit and loss account, the balance sheet and notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

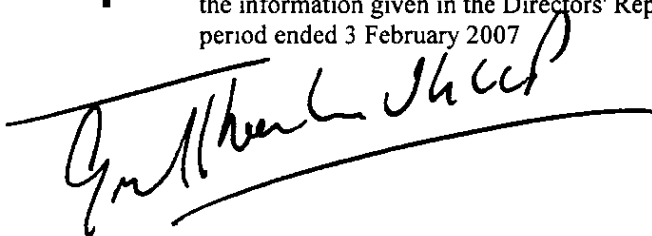
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HARRODS SERVICES LIMITED**

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 3 February 2007 and of its profit for the period then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the period ended 3 February 2007



**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON**

27/7/ 2007

HARRODS SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 3 FEBRUARY 2007

	Note	Period ended 3 February 2007 £
Turnover	2	8,050
Administrative expenses	2	<u>(6,550)</u>
Profit on ordinary activities before taxation	2	1,500
Tax on profit on ordinary activities	4	(450)
Profit retained and transferred to reserves	8	<u>1,050</u>

All transactions arise from continuing operations

There were no recognised gains or losses other than the profit for the financial period

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

HARRODS SERVICES LIMITED

BALANCE SHEET AT 3 FEBRUARY 2007

	Note	At 3 February 2007 £
Current assets		
Debtors	5	<u>6,251</u>
		6,251
Creditors: amounts falling due within one year	6	<u>(5,200)</u>
Total current assets less current liabilities		<u>1,051</u>
Capital and reserves		
Share Capital	7	1
Profit and loss account	8	<u>1,050</u>
Shareholders' funds	9	<u>1,051</u>

The financial statements were approved by the Board of Directors on 27th July 2007



A Tanna - Director

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

HARRODS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

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

Harrods Holdings Limited produces a consolidated cash flow statement in accordance with Financial Reporting Standard No 1 (FRS1). Consequently the company has taken advantage of the exemption in FRS 1 from producing a cash flow statement

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Period ended 3 February 2007 £
Represents the charge for payroll services provided to Harrods Holdings Limited	<u>8,050</u>

The profit on ordinary activities before taxation is stated after charging

	Period ended 3 February 2007 £
Auditors' remuneration	
Audit fees and expenses	4,000
Non-audit services	<u>750</u>

3 DIRECTORS AND EMPLOYEES

No emoluments were paid to the directors of the company during the period (2006 £nil)

The average number of employees of the company during the period was 41, and all employees were seconded to Harrods Holdings Limited

Payroll Costs of £985,000 were paid directly by Harrods Holdings Limited

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the period and represents

	Period ended 3 February 2007 £
United Kingdom corporation tax at 30%	<u>450</u>

HARRODS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

5 DEBTORS

	At 3 February 2007 £
Amounts owed by other group undertakings	<u>6,251</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 3 February 2007
Accruals	4,750
Corporation Tax	<u>450</u>
	<u>5,200</u>

7 CALLED UP SHARE CAPITAL

	At 3 February 2007 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>
Issued and fully paid 1 ordinary share of £1 each	<u>1</u>

8 RESERVES

	Profit and loss account £
Profit for the period and at 3 February 2007	<u>1,050</u>

HARRODS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 3 FEBRUARY 2007

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	At 3 February 2007 £
Issue of shares	1
Profit on ordinary activities after taxation	1,050
Net increase in shareholders' funds and Shareholders' funds at 3 February 2007	<u>1,051</u>

10 CAPITAL COMMITMENTS

The company had no capital commitments at 3 February 2007

11 CONTINGENT ASSETS/LIABILITIES

There were no contingent liabilities at 3 February 2007

12 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The company is a wholly owned subsidiary of Harrods Holdings Limited and, as permitted by Financial Reporting Standard No 8 "Related Party Disclosures" has not disclosed transactions with group undertakings

There are no other related party transactions

13 ULTIMATE PARENT UNDERTAKING

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 Holding Group and 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 Limited, a company incorporated in Bermuda. All interests in the company continue to be controlled and held for the benefit of the Fayed family.