

**QH PARTICIPATIONS  
LIMITED**

**FINANCIAL STATEMENTS**

**For the Period ended  
29 JANUARY 2011**



**Company 6511479**

**QH PARTICIPATIONS LIMITED**  
**FINANCIAL STATEMENTS**

For the period ended 29 JANUARY 2011

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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 principal activity of the company is that of an investment holding company

**Business review and key performance indicators**

There was a profit for the period after taxation amounting to £8.5m (2010 £245.0m). The prior year profit arose from the reversal of an exceptional impairment provision charged in 2009 and from dividends received from Harrods Holdings Limited. The directors did not pay a dividend during the period (2010 £nil).

**Directors**

The membership of the Board is set out below. All served on the Board throughout the period unless otherwise noted.

M Al Fayed (resigned 07/05/10)

O Fayed (appointed 09/04/10, resigned 07/05/10)

A Tanna (resigned 07/05/10)

J Byrne (resigned 28/11/10)

M Ward

A M Al-Sayed (appointed 07/05/10)

A Armstrong (appointed 07/05/10, resigned 28/06/10)

K Al-Kuwari (appointed 07/05/10)

H Al-Abdulla (appointed 07/05/10)

K Maamria (appointed 08/07/10)

The directors consider it appropriate for these financial statements to be prepared on a going concern basis as the company's parent undertaking has indicated that it will not call for repayment of amounts due to the group undertakings without first ensuring that the company has adequate funds to meet its obligations as they fall due.

**Directors' Responsibilities Statement**

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 year. 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 and group 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,
- state whether applicable 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 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 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 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

  
J.M. Goldberg  
Secretary

13<sup>th</sup> October 2011

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

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
QH PARTICIPATIONS LIMITED**

We have audited the financial statements of QH Participations Limited (formerly AIT Participations Limited) for the period ended 29 January 2011 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 13. 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 3 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 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 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 profit for the period then ended,
- have been properly prepared in accordance with United Kingdom General Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matters prescribed by the Companies Act 2006**

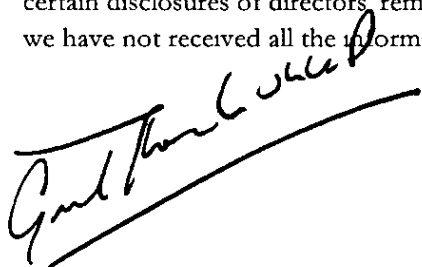
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE AUDITOR TO THE MEMBERS OF  
QH PARTICIPATIONS 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 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

The principal accounting policies of the company have remained unchanged from the previous period and are set out below

The directors consider it appropriate for these financial statements to be prepared on a going concern basis as the company's parent undertaking has indicated that it will not call for repayment of amounts due to the group undertakings without first ensuring that the company has adequate funds to meet its obligations as they fall due

The principal accounting policies of the company are set out below

QH Participations Limited is a wholly owned subsidiary of Qatar Holding UK Limited which produces Group accounts in accordance with the Companies Act 2006. Consequently the company has taken advantage of the exemption permitted by section 400 of the Act from producing Group accounts. These accounts therefore present information about the company and not about its group.

Qatar Holding UK 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 FRS1 from producing a cash flow statement.

**Investments**

Investments are included at cost less provision for impairment where appropriate

**QH PARTICIPATIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT**

For the period ended 29 JANUARY 2011

	Note	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
Exceptional credit	2	-	239,426
<b>Operating profit</b>		-	239,426
Other income	1	8,544	5,535
<b>Profit on ordinary activities before taxation</b>		8,544	244,961
Tax on profit on ordinary activities	4	-	-
<b>Profit on ordinary activities after taxation</b>	8	8,544	244,961

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



**QH PARTICIPATIONS LIMITED**  
BALANCE SHEET AT 29 JANUARY 2011

	Note	At 29 January 2011 £'000	At 30 January 2010 £'000
<b>ASSETS</b>			
Investments	5	<u>901,500</u> <u>901,500</u>	<u>901,500</u> <u>901,500</u>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	7	3,283	3,283
Share premium account	8	35,917	35,917
Profit and loss account	8	<u>14,079</u> <u>53,279</u>	<u>5,535</u> <u>44,735</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>848,221</u> <u>901,500</u>	<u>856,765</u> <u>901,500</u>

The financial statements were approved by the Board of Directors on 13<sup>th</sup> October 2011

M Ward - Director

Company registration no 6511479

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

**QH PARTICIPATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 29 JANUARY 2011

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**1 Other Income**

	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
<b>Investment Income:</b>		
Dividends received from group undertakings	<u>8,544</u>	<u>5,535</u>

**2 Exceptional items**

	52 weeks ended 29 January 2011 £'000	50 weeks ended 30 January 2010 £'000
Reversal of impairment of investment in subsidiary undertakings	<u>-</u>	<u>239,426</u>

**3 Operating loss**

Audit fees for the period were £nil (2010 £nil) as they were borne by another group company

No emoluments were paid to the directors of the company during the period (2010 £nil)

The company did not employ any persons or incur any staff costs during the period (2010 £nil)

For the period ended 29 JANUARY 2011

#### **4 Tax on profit/(loss) on ordinary activities**

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

	52 weeks ended 29 January 2011 £'000	52 weeks ended 30 January 2010 £'000
<b>Current tax</b>		
Total tax credit for the period	-	-
The current period corporation tax assessed for the period is lower than the standard rate of corporation tax of 28% (2010 28%)		
Profit on ordinary activities before tax	8,544	244,961
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2010 28%)	(2,392)	(68,589)
Effect of		
Dividend income not assessable	2,392	1,550
Impairment provision not deductible for tax purposes	-	67,039
Current tax credit for the period	-	-

#### **5 Investments included in fixed assets**

	Unlisted investments £'000
<b>Cost</b>	
At 31 January 2010 and at 29 January 2011	901,500
<b>Net book amount</b>	
At 30 January 2010 and at 29 January 2011	901,500

The company directly owns 72.4% of Harrods Holdings Limited, which is registered in England and Wales and operates in the United Kingdom. The principal activity of Harrods Holdings Limited is an intermediary holding company for the Harrods retail group.

For the period ended 29 JANUARY 2011

**Investments included in fixed assets (continued)**

The company has the following wholly owned (100% of equity and voting rights) trading and non-trading subsidiary undertakings registered in England and Wales

**Principal subsidiaries**

<b>Name</b>	<b>Principal activity</b>
QH Partners Limited (formerly AIT Partners Limited)*	Holding company
Harrods Holdings Limited	Holding company
Harrods (UK) Limited	Management services to subsidiary undertakings
Harrods Limited	Department store
Harrods International Limited	Tax free retailer and wholesaler
Harrods Watches Limited	Wholesaler
Harrods (Continental) Limited	Exporter
Harrods Estates Limited	Estate agency
PL Management Limited	Property management
Harrods Services Limited	Security staff agency
Genavco Insurance Limited	Insurance broker

\*The whole of the issued ordinary share capital in this company is owned directly by the company. The whole of the ordinary shares capital in the other companies is held by intermediate holding companies

In addition to the companies shown in the above list, the company also holds investments in other subsidiary undertakings which are not material. Details of all subsidiary undertakings will be annexed to the company's next annual return in compliance with section 410 of the Companies Act 2006

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

	<b>At 29 January 2011 £'000</b>	<b>At 30 January 2010 £'000</b>
Amounts owed to related party	<b>848,221</b>	<b>856,765</b>

The company has been granted a loan from QH Property Holdings Limited, which is under the common control of the company's ultimate parent undertaking. The debt is non-interest bearing and is repayable upon demand by the lender. In the period, a dividend received from Harrods Holdings Limited of £8.5m (2010: £5.5m) was used to reduce the loan owing to QH Property Holdings Limited (formerly AIT Property Holdings Limited).

On 1 April 2011, the shareholder loan was refinanced through a new long term shareholder loan of £848.2 million, one tranche of which being interest bearing on normal market terms and the second tranche being interest free.

**QH PARTICIPATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 29 JANUARY 2011

**7 Share capital**

	At 29 January 2011 £'000	At 30 January 2010 £'000
Authorised		
328,400,000 ordinary shares of £0 01 each	<u>3,284</u>	<u>3,284</u>
Allotted, called up and fully paid		
328,310,000 ordinary shares of £0 01 each	<u>3,283</u>	<u>3,283</u>

**8 Share premium account and reserves**

	Share premium account £'000	Profit and loss account £'000
At 31 January 2010	35,917	5,535
Profit for the period	-	8,544
At 29 January 2011	<u>35,917</u>	<u>14,079</u>

**9 Reconciliation of movements in shareholders' surplus**

	2011 £'000	2010 £'000
Profit for the financial period	8,544	244,961
Shareholders' funds/(deficit) at 31 January 2010	<u>44,735</u>	<u>(200,226)</u>
Shareholders' funds at 29 January 2011	<u>53,279</u>	<u>44,735</u>

**10 Capital commitments**

The company had no capital commitments at 29 January 2011 or 30 January 2010

**11 Contingent assets/liabilities**

There were no contingent liabilities at 29 January 2011 or 30 January 2010

## **12 Transactions with directors and other related parties**

During the period the company entered into transactions with QH Property Holdings Limited, a company under the control of the company's ultimate parent undertaking. The transactions and balances with this entity are not considered to be material except as described below.

The company has been granted a loan from QH Property Holdings Limited, which is under the common control of the company's ultimate parent undertaking. The debt is non-interest bearing and is repayable upon demand by the lender. In the period, a dividend received from Harrods Holdings Limited of £8.5m (2010: £5.5m) was used to reduce the loan owing to QH Property Holdings Limited. At the period end, the loan outstanding was £848.2m (2010: £856.8m).

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" and has not disclosed transactions with company undertakings.

## **13 Controlling related parties**

The company's immediate parent undertaking is Qatar Holding UK Limited, a company incorporated in the United Kingdom. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Qatar Holding UK Limited. The group accounts 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.