

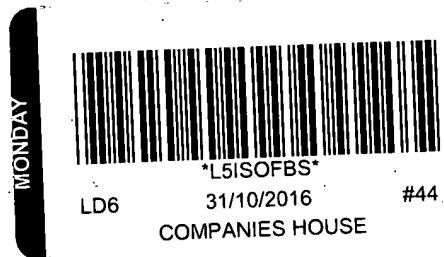
Registered number: 5961740

QH PARTNERS LTD

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JANUARY 2016



QH PARTNERS LTD

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QH PARTNERS LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JANUARY 2016

The directors present their report and the financial statements for the period ended 30 January 2016.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £26,784k (2015 - £27,573)k.

The company paid a dividend during the period of £26.8m (2015: £27.6m).

Principal risks and uncertainties

The principal risks facing the Company are a decrease in the value of investments in subsidiary undertakings to below cost value, which would occur if there was a decline in the underlying performance of subsidiaries, and the recoverability of intercompany- receivables.

DIRECTORS

The directors who served during the period were:

H.E. H A Al-Abdulla (resigned 2 February 2015)

H.E. A M Al-Sayed (resigned 2 February 2015)

M A Ward

J P Edgar

GOING CONCERN

The directors consider it appropriate for these financial statements to be prepared on a going concern basis as the company's debt is repayable on demand, but will not be called upon unless the borrower has sufficient funds to settle its debt.

POST BALANCE SHEET EVENTS

On 1 February 2016, QH Partners Limited acquired Harrods Commercial Property Limited from Harrods Limited for a consideration of £65.8m, by way of an inter company loan.

QH PARTNERS LTD

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JANUARY 2016**

DIRECTORS' RESPONSIBILITIES STATEMENT

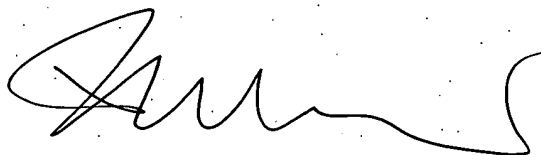
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they 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 accounting estimates that are reasonable and prudent; and
- 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.

This report was approved by the board on 7 June 2016 and signed on its behalf.



D J Webster
Company secretary

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

QH PARTNERS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JANUARY 2016**

		52 weeks ended 30 January 2016 £000	52 weeks ended 31 January 2015 £000
Income from shares in group companies	5	26,784	27,573
Profit before tax		26,784	27,573
Profit for the period		26,784	27,573

The notes on pages 8 to 11 form part of these financial statements.

QH PARTNERS LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JANUARY 2016**

	52 weeks ended 30 January 2016 £000	52 weeks ended 31 January 2015 £000
Profit for the financial period	26,784	27,573
Other comprehensive income		
Total comprehensive income for the period	<u>26,784</u>	<u>27,573</u>

QH PARTNERS LTD
REGISTERED NUMBER:5961740

BALANCE SHEET
AS AT 30 JANUARY 2016

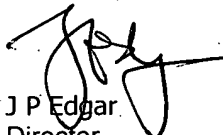
	Note	30 January 2016 £000	31 January 2015 £000
Fixed assets			
Investments	6	291,450	291,450
		<u>291,450</u>	<u>291,450</u>
Current assets			
Cash at bank and in hand		1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	7	(265,464)	(1)
Net current (liabilities)/assets		<u>(265,463)</u>	<u>-</u>
Total assets less current liabilities		<u>25,987</u>	<u>291,450</u>
Creditors: amounts falling due after more than one year	8	-	(265,463)
Net assets		<u><u>25,987</u></u>	<u><u>25,987</u></u>
Capital and reserves			
Called up share capital	9	1,450	1,450
Profit and loss account		24,537	24,537
		<u><u>25,987</u></u>	<u><u>25,987</u></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2016.


 J P Edgar
 Director

The notes on pages 8 to 11 form part of these financial statements.

QH PARTNERS LTD

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JANUARY 2016**

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 February 2015	1,450	24,537	25,987
Comprehensive income for the period			
Profit for the period	-	26,784	26,784
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	26,784	26,784
Contributions by and distributions to owners			
Dividends: Equity capital	-	(26,784)	(26,784)
Total transactions with owners	-	(26,784)	(26,784)
At 30 January 2016	<u>1,450</u>	<u>24,537</u>	<u>25,987</u>

QH PARTNERS LTD

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 JANUARY 2015**

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 2 February 2014	1,450	24,537	25,987
Comprehensive income for the period			
Profit for the period	-	27,573	27,573
Other comprehensive income for the period			
	-	-	-
Total comprehensive income for the period	-	27,573	27,573
Contributions by and distributions to owners			
Dividends: Equity capital	-	(27,573)	(27,573)
Total transactions with owners	-	(27,573)	(27,573)
At 31 January 2015	1,450	24,537	25,987

The notes on pages 8 to 11 form part of these financial statements.

QH PARTNERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JANUARY 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Application of FRS 102 is required for all accounting periods beginning on or after 1 January 2015 (the effective date). This is the first year of adoption for both the Company. In accordance with section 35.6 the standard has been applied to all comparatives (reported balances for financial periods ending 31 January 2015 and 1 February 2014) and related information.

There is no impact of the first time adoption of FRS 102 to the Company's financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies.

QH Partners Limited is a wholly owned subsidiary of Harrods Group (Holding) 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.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Harrods Group (Holding) Limited, the ultimate UK parent undertaking as at 30 January 2016 and these financial statements may be obtained from the Registrar of Companies.

1.3 Valuation of investments

Investments are included at cost less provision for impairment, where appropriate.

1.4 Dividends

Revenue is recognised when the Group's right to receive payment is established.

2. OPERATING PROFIT

Remuneration for the directors of the company is paid for by another group company. It is not practical to determine the proportion of their emoluments which relate to their services as directors of this company.

The company did not employ any persons or incur any staff costs during the period (2015: £nil).

QH PARTNERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016**

3. INCOME FROM INVESTMENTS

	52 weeks ended 30 January 2016 £000	<i>52 weeks ended 31 January 2015 £000</i>
Investment income: Dividends received from group undertakings	(26,784)	(27,573)
	(26,784)	<i>(27,573)</i>

4. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is lower than (*2015 - lower than*) the standard rate of corporation tax in the UK of 20.16% (*2015 - 21.32%*). The differences are explained below:

	52 weeks ended 30 January 2016 £000	<i>52 weeks ended 31 January 2015 £000</i>
Profit on ordinary activities before tax	26,784	<i>27,573</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.16% (<i>2015 - 21.32%</i>)	5,400	5,879
Effects of:		
Dividends from UK companies	(5,400)	(5,879)
Total tax charge for the period	-	<i>-</i>

The standard rate of tax applied to profit on ordinary activities is 20.16% (*2015: 21.32%*). The tax rate for the year has reduced following the gradual reduction of the corporation tax rates introduced in Finance Act 2013, with a tax rate of 20% applicable from 1 April 2015.

On 16 March 2016 the Chancellor of the exchequer announced in his Budget that corporation tax rates will further decrease to 17% and this will replace the expected decrease to 18% from 1 April 2020.

5. DIVIDENDS

	30 January 2016 £000	<i>31 January 2015 £000</i>
Dividends paid	26,784	27,573
	26,784	<i>27,573</i>

QH PARTNERS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016**

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies
Cost or valuation	
At 1 February 2015 and at 30 January 2016	291,450
Net book value	
At 30 January 2016 and 31 January 2015	<u>291,450</u>

The company owns 27.57% of the ordinary share capital 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.

7. CREDITORS: Amounts falling due within one year

	30 January 2016 £000	31 January 2015 £000
Amounts owed to group undertakings	265,463	-
Other creditors	1	1
	<u>265,464</u>	<u>1</u>

Amounts owed to group undertakings represents balances due to Harrods Property Limited, which is non-interest bearing and is repayable on demand by the lender. At the period end, the loan outstanding was £265.5m (2015: (due after more than one year) £265.5m).

Amounts previously classified as Creditors due after more than one year relate to amounts due to Group undertakings. On 6th November 2015, the terms of the loan(s) were amended to become payable on demand and have now been re-classified as amounts due within one year.

8. CREDITORS: Amounts falling due after more than one year

	30 January 2016 £000	31 January 2015 £000
Amounts owed to group undertakings	-	265,463
	<u>-</u>	<u>265,463</u>

Amounts previously classified as Creditors due after more than one year relate to amounts due to Group undertakings. On 6th November 2015, the terms of the loan(s) were amended to become payable on demand and have now been re-classified as amounts due within one year.

QH PARTNERS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JANUARY 2016

9. SHARE CAPITAL

	30 January 2016 £000	31 January 2015 £000
Authorised, allotted, called up and fully paid		
1,450,000- Ordinary shares of £1 each	<u>1,450</u>	<u>1,450</u>

Each ordinary share represents one vote. There are no restrictions or preferences placed on the shares.

Dividends are declared and paid at the discretion of the directors.

10. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 January 2016 or 31 January 2015.

11. CAPITAL COMMITMENTS

The company had no capital commitments at 30 January 2016 or 31 January 2015.

12. RELATED PARTY TRANSACTIONS

During the year, Harrods Property Limited was transferred from the Harrods Property Investments Sarl (Luxembourg) Group to the Harrods Limited Group. Loans previously stated as related party loans are now loans from Group undertakings.

The company has taken advantage of the exemption in FRS102, 33.7 "Related Party Disclosures" from disclosing transactions with other members of the group.

13. CONTROLLING PARTY

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