

**HARRODS (CONTINENTAL) LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JANUARY 2016**

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## **HARRODS (CONTINENTAL) LIMITED**

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## **HARRODS (CONTINENTAL) LIMITED**

### **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 company acts as an agent for the delivery of consumer goods to European Community member states

#### **RESULTS AND DIVIDENDS**

The profit for the period, after taxation, amounted to £101,221 (2015 - £182,043)

The directors have not paid a dividend during the period (2015 - £750,000)

#### **DIRECTORS**

The directors who served during the period were

M Ward

J Edgar

H E H A Al-Abdullah (resigned 2 February 2015)

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

#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end

#### **CREDIT RISK**

The company's invoicing is administered by Harrods Limited. As such, credit risk is limited to the recovery of amounts from Harrods Limited.

## **HARRODS (CONTINENTAL) LIMITED**

### **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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

# HARRODS (CONTINENTAL) LIMITED

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

		<b>52 weeks ended 30 January 2016</b>	<b>52 weeks ended 31 January 2015</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Turnover		<b>358,370</b>	<b>483,251</b>
Cost of sales		<b>(229,642)</b>	<b>(249,925)</b>
<b>Gross profit</b>		<b>128,728</b>	<b>233,326</b>
Administrative expenses		<b>(1,945)</b>	<b>(1,945)</b>
<b>Operating profit</b>		<b>126,783</b>	<b>231,381</b>
Tax on profit	4	<b>(25,562)</b>	<b>(49,338)</b>
<b>Profit for the period</b>		<b><u>101,221</u></b>	<b><u>182,043</u></b>
<b>Other comprehensive income for the period</b>			
<b>Total comprehensive income for the period</b>		<b><u>101,221</u></b>	<b><u>182,043</u></b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

**HARRODS (CONTINENTAL) LIMITED**  
**REGISTERED NUMBER:0156158**

**BALANCE SHEET**  
**AS AT 30 JANUARY 2016**


	Note	30 January 2016 £	31 January 2015 £
<b>Current assets</b>			
Debtors amounts falling due within one year	6	637,712	559,407
		<u>637,712</u>	<u>559,407</u>
Creditors amounts falling due within one year	7	(55,174)	(78,090)
<b>Net current assets</b>		<u>582,538</u>	<u>481,317</u>
<b>Total assets less current liabilities</b>		<u>582,538</u>	<u>481,317</u>
<b>Net assets</b>		<u><u>582,538</u></u>	<u><u>481,317</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	100,000	100,000
Profit and loss account		482,538	381,317
		<u>582,538</u>	<u>481,317</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A 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 7 to 12 form part of these financial statements

**HARRODS (CONTINENTAL) LIMITED**

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

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 February 2015	<b>100,000</b>	<b>381,317</b>	<b>481,317</b>
<b>Comprehensive income for the period</b>			
Profit for the period	-	101,221	101,221
<b>Other comprehensive income for the period</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	101,221	101,221
<b>Total transactions with owners</b>	-	-	-
<b>AT 30 January 2016</b>	<b>100,000</b>	<b>482,538</b>	<b>582,538</b>

# **HARRODS (CONTINENTAL) LIMITED**

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

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 2 February 2014	<b>100,000</b>	<b>949,274</b>	<b>1,049,274</b>
<b>Comprehensive income for the period</b>			
Profit for the period	-	<b>182,043</b>	<b>182,043</b>
<b>Other comprehensive income for the period</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>182,043</b>	<b>182,043</b>
<b>Contributions by and distributions to owners</b>			
Dividends Equity capital	-	<b>(750,000)</b>	<b>(750,000)</b>
<b>Total transactions with owners</b>	-	<b>(750,000)</b>	<b>(750,000)</b>
<b>AT 31 January 2015</b>	<b>100,000</b>	<b>381,317</b>	<b>481,317</b>

The notes on pages 7 to 12 form part of these financial statements



## **HARRODS (CONTINENTAL) LIMITED**

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

#### **1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006

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 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.

Information on the impact of first-time adoption of FRS 102 is given in note 10.

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

##### **1.1 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 4 Statement of Financial Position paragraph 4.12(a)(iv),
- 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 11 Financial Instruments paragraphs 11.39 to 11.48A,
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29,
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23,
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Harrods Limited as at 30 January 2016 and these financial statements may be obtained from Registrar of Companies.

##### **1.2 Revenue**

Turnover represents agency fees from the delivery of consumer goods to European Community Member States and arises entirely within the United Kingdom.

##### **1.3 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### **1.4 Taxation**

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

# HARRODS (CONTINENTAL) LIMITED

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

### 2. OPERATING PROFIT

The operating profit is stated after charging

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Auditor's remuneration	-	1,945

### 3. DIRECTORS AND EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL)

### 4. TAXATION

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
<b>Corporation tax</b>		
Group relief payable	25,562	49,338
<b>Total current tax</b>	<b>25,562</b>	<b>49,338</b>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	<b>25,562</b>	<b>49,338</b>

# HARRODS (CONTINENTAL) LIMITED

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

### 4 TAXATION (continued)

#### FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is the same as (2015 - the same as) the standard rate of corporation tax in the UK of 20 16% (2015 - 21 32%) as set out below

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Profit on ordinary activities before tax	<u>126,783</u>	<u>231,381</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 16% (2015 - 21 32%)	25,562	49,338
Effects of:		
Total tax charge for the period	<u>25,562</u>	<u>49,338</u>

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

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

### 5. DIVIDENDS

	30 January 2016 £	31 January 2015 £
Interim dividend paid £nil (2015 £7 50p per £1 share)	-	750,000
	<u>-</u>	<u>750,000</u>

### 6. DEBTORS

	30 January 2016 £	31 January 2015 £
Amounts owed by group undertakings	637,712	559,407
	<u>637,712</u>	<u>559,407</u>

# HARRODS (CONTINENTAL) LIMITED

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

### 7. CREDITORS: Amounts falling due within one year

	30 January 2016 £	31 January 2015 £
Corporation tax	25,562	-49,338
Taxation and social security	8,374	11,144
Accruals and deferred income	21,238	17,608
	<u>55,174</u>	<u>78,090</u>

### 8 SHARE CAPITAL

	30 January 2016 £	31 January 2015 £
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

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

### 9. CONTROLLING PARTY

The company is controlled by Harrods Limited. Harrods Limited is a company registered in London. The ultimate United Kingdom parent undertaking of Harrods Limited is Harrods Group (Holding) Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) Limited and the smallest such group of undertakings, including the company, is headed by Harrods Limited. The group financial 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.

**HARRODS (CONTINENTAL) LIMITED**

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

**10. FIRST TIME ADOPTION OF FRS 102**

	Note	As previously stated 2 February 2014 £	Effect of transition 2 February 2014 £	FRS 102 (as restated) 2 February 2014 £	As previously stated 31 January 2015 £	Effect of transition 31 January 2015 £	FRS 102 (as restated) 31 January 2015 £
Current assets		1,135,898	-	1,135,898	559,407	-	559,407
Creditors amounts falling due within one year		(86,624)	-	(86,624)	(78,090)	-	(78,090)
<b>Net current assets</b>		<b>1,049,274</b>	<b>-</b>	<b>1,049,274</b>	<b>481,317</b>	<b>-</b>	<b>481,317</b>
<b>Total assets less current liabilities</b>		<b>1,049,274</b>	<b>-</b>	<b>1,049,274</b>	<b>481,317</b>	<b>-</b>	<b>481,317</b>
<b>Net assets</b>		<b>1,049,274</b>	<b>-</b>	<b>1,049,274</b>	<b>481,317</b>	<b>-</b>	<b>481,317</b>
Capital and reserves		1,049,274	-	1,049,274	481,317	-	481,317

# HARRODS (CONTINENTAL) LIMITED

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

### 10. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	As previously stated 31 January 2015 £	Effect of transition 31 January 2015 £	FRS 102 (as restated) 31 January 2015 £
Turnover		483,251	-	483,251
Cost of sales		(249,925)	-	(249,925)
		233,326	-	233,326
Administrative expenses		(1,945)	-	(1,945)
<b>Operating profit</b>		<b>231,381</b>	<b>-</b>	<b>231,381</b>
Taxation		(49,338)	-	(49,338)
<b>Profit on ordinary activities after taxation and for the financial period</b>		<b><u>182,043</u></b>	<b><u>-</u></b>	<b><u>182,043</u></b>

Explanation of changes to previously reported profit and equity

- 1 There are no changes to previously reported profit and equity