

Harrods (Continental) Limited

Directors' Report and Financial Statements

for the Period ended 31 January 2015

Registration number: 0156158

Harrods (Continental) Limited

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Harrods (Continental) Limited

Directors' Report for the Period ended 31 January 2015

The directors present their report and the audited financial statements for the period ended 31 January 2015.

Principal activity

The company acts as an agent for the delivery of consumer goods to European Community Member States.

Business review and key performance indicators

There was a profit for the period after taxation amounting to £182,043 (2014: £139,659). The directors paid a dividend of £750,000 during the period (2014: £nil).

Directors of the company

The directors who held office during the period were as follows:

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

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

K Maamria (resigned 29 May 2014)

K J Al-Kuwari (resigned 2 September 2014)

M Ward (appointed 20 June 2014)

J Edgar (appointed 20 June 2014)

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.

Going concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

KPIs

There are no other KPIs required to be reported other than turnover and operating profit that would give a fuller understanding to the business.

Harrods (Continental) Limited

Statement of Directors' Responsibilities

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 law). 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 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 apply them consistently;
- make judgements 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures

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.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 22 April 2015 and signed on its behalf by:



.....
D J Webster
Company secretary

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

Independent Auditor's Report to the Members of Harrods (Continental) Limited

We have audited the financial statements of Harrods (Continental) Limited for the period from 2 February 2014 to 31 January 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 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 Statement of Directors' Responsibilities (set out on page 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its profit 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.

**Independent Auditor's Report to the Members of
Harrods (Continental) Limited**

..... *continued*

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.

Ernst & Young LLP

Julie Carlyle (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP

1 More London Place
London
SE1 2AF

28 Apr 2015

Harrods (Continental) Limited
Profit and Loss Account for the Period ended 31 January 2015

	Note	52 weeks ended 31 January 2015 £	52 weeks ended 1 February 2014 £
Turnover	2	483,251	430,102
Cost of sales		<u>(249,925)</u>	<u>(246,039)</u>
Gross profit		233,326	184,063
Administrative expenses		<u>(1,945)</u>	<u>(2,307)</u>
Operating profit	3	<u>231,381</u>	<u>181,756</u>
Profit on ordinary activities before taxation		231,381	181,756
Tax on profit on ordinary activities	5	<u>(49,338)</u>	<u>(42,097)</u>
Profit for the financial period	10	<u><u>182,043</u></u>	<u><u>139,659</u></u>

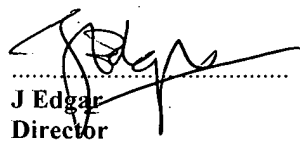
All transactions arise from continuing operations.

There are no other recognised gains or losses for the financial period.

Harrods (Continental) Limited
(Registration number: 0156158)
Balance Sheet at 31 January 2015

	Note	31 January 2015 £	1 February 2014 £
Current assets			
Debtors	6	559,407	1,135,898
Creditors: Amounts falling due within one year	7	<u>(78,090)</u>	<u>(86,624)</u>
Net assets		<u>481,317</u>	<u>1,049,274</u>
Capital and reserves			
Called up share capital	8	100,000	100,000
Profit and loss account	10	<u>381,317</u>	<u>949,274</u>
Shareholders' funds	11	<u>481,317</u>	<u>1,049,274</u>

Approved by the Board on 22 April 2015 and signed on its behalf by:


 J Edgar
 Director

Company registration no: 0156158

Harrods (Continental) Limited

Notes to the Financial Statements for the Period ended 31 January 2015

1 Accounting policies

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 year and are set out below.

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

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 Turnover

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

3 Operating profit

The profit on ordinary activities for the period is stated after charging audit fees of £1,945 (2014: £2,307).

4 Directors & Employees

The company did not employ any persons or incur any staff costs during the period (2014: £nil).

No emoluments were paid to the directors of the company during the period (2014: £nil) for qualifying services.

5 Tax on profit on ordinary activities

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

	52 weeks ended 31 January 2015 £	52 weeks ended 1 February 2014 £
Group relief payable	<u>49,338</u>	<u>42,097</u>

Harrods (Continental) Limited

Notes to the Financial Statements for the Period ended 31 January 2015

..... *continued*

5 Tax on profit on ordinary activities (continued)

Factors affecting current tax charge for the period

Tax on profit on ordinary activities for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 21.32% (2014 - 23.16%).

The differences are reconciled below:

	52 weeks ended 31 January 2015 £	52 weeks ended 1 February 2014 £
Profit on ordinary activities before taxation	231,381	181,756
Corporation tax at standard rate	49,338	42,097
Total current tax	49,338	42,097

6 Debtors

	31 January 2015 £	1 February 2014 £
Amounts owed by other group undertakings	559,407	1,135,898
	559,407	1,135,898

7 Creditors

	31 January 2015 £	1 February 2014 £
Accruals	11,144	14,095
Group relief payable	49,338	42,098
Other taxes and social security	17,608	30,431
	78,090	86,624

Harrods (Continental) Limited
Notes to the Financial Statements for the Period ended 31 January 2015
..... continued

8 Share capital

	31 January 2015 £	1 February 2014 £
100,000 ordinary shares of £1 each (2014: 100,000)	<u>100,000</u>	<u>100,000</u>

9 Dividends

	31 January 2015 £	1 February 2014 £
Dividends paid		
Current period interim dividend paid: £7.50p per £1 share (2014: nil)	<u>750,000</u>	<u>-</u>

10 Reserves

	Profit and loss account £
At 2 February 2014	949,274
Profit for the period	182,043
Dividends	<u>(750,000)</u>
At 31 January 2015	<u>381,317</u>

11 Reconciliation of movement in shareholders' funds

	52 weeks ended 31 January 2015 £	52 weeks ended 1 February 2014 £
Profit for the financial period	182,043	139,659
Dividends	(750,000)	-
Shareholders' funds at start of period	<u>1,049,274</u>	<u>909,615</u>
Shareholders' funds at end of period	<u>481,317</u>	<u>1,049,274</u>

Harrods (Continental) Limited
Notes to the Financial Statements for the Period ended 31 January 2015
..... continued

12 Capital Commitments

The company had no capital commitments at 31 January 2015 or 1 February 2014.

13 Contingent assets/liabilities

There were no contingent liabilities at 31 January 2015 or 1 February 2014.

14 Transactions with directors and other related parties

The company is a wholly owned subsidiary of Harrods Group (Holding) Limited and, as permitted by Financial Reporting Standard No 8 "Related Party Disclosures" transactions with other entities in the Harrods Group (Holding) Limited Group are not disclosed.

15 Ultimate parent undertaking

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 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.