

Registered number: 4130915

PL Management Limited

Unaudited

Directors' Report and Financial Statements

For the Period Ended 30 January 2016



PL Management Limited

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PL Management 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 principal activity of the company is that of property management.

BUSINESS REVIEW

The directors consider the trading performance of the company to be satisfactory reflecting a growing market share of the central London residential asset management business.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £234,968 (2015 - £246,209). The company did not pay dividends in the year (2015: £250,000).

DIRECTORS

The directors who served during the period were:

J M P Cook
R J Stephenson

No director has had a material interest, directly or indirectly, at any time during the year in any contract significant to the business of the company.

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

POST BALANCE SHEET EVENTS

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

PL Management 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;
- 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.



R J Stephenson
Director

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

PL Management Limited

Statement of Comprehensive Income
For the Period Ended 30 January 2016

	Note	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Turnover	2	2,146,315	1,722,754
Gross profit		2,146,315	1,722,754
Administrative expenses	5	(1,789,404)	(1,398,171)
Other operating income		-	40,000
Operating profit		356,911	364,583
Interest receivable and similar income	3	462	19,846
Interest payable and expenses	4	(62,938)	(71,262)
Profit before tax		294,435	313,167
Tax on profit	7	(59,467)	(66,958)
Profit for the period		<u>234,968</u>	<u>246,209</u>
Other comprehensive income for the period			
Total comprehensive income for the period		<u>234,968</u>	<u>246,209</u>

There were no recognised gains and losses other than those included in the profit and loss account.

PL Management Limited
Registered number: 4130915

Balance Sheet
As at 30 January 2016

	Note	30 January 2016 £	31 January 2015 £
Fixed assets			
Fixed Asset Investments	8	837,683	837,683
		<u>837,683</u>	<u>837,683</u>
Current assets			
Debtors: amounts falling due within one year	10	880,744	298,267
Cash at bank and in hand		16,055	328,236
		<u>896,799</u>	<u>626,503</u>
Creditors: amounts falling due within one year	11	(345,398)	(307,872)
Net current assets		<u>551,401</u>	<u>318,631</u>
Total assets less current liabilities		<u>1,389,084</u>	<u>1,156,314</u>
Creditors: amounts falling due after more than one year	12	(847,234)	(849,432)
Net assets		<u><u>541,850</u></u>	<u><u>306,882</u></u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		541,848	306,880
		<u><u>541,850</u></u>	<u><u>306,882</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.



R J Stephenson
Director

The notes on pages 7 to 14 form part of these financial statements.

PL Management Limited

**Statement of Changes in Equity
As at 30 January 2016**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 February 2015	2	306,880	306,882
Comprehensive income for the period			
Profit for the period	-	234,968	234,968
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	234,968	234,968
Total transactions with owners	-	-	-
At 30 January 2016	2	541,848	541,850

PL Management Limited

**Statement of Changes in Equity
As at 31 January 2015**

	Share capital	Retained earnings	Total equity
	£	£	£
At 2 February 2014	2	310,671	310,673
Comprehensive income for the period			
Profit for the period	-	246,209	246,209
Other comprehensive income for the period			
	-	-	-
Total comprehensive income for the period	-	246,209	246,209
Contributions by and distributions to owners			
Dividends: Equity capital	-	(250,000)	(250,000)
Total transactions with owners	-	(250,000)	(250,000)
At 31 January 2015	<u>2</u>	<u>306,880</u>	<u>306,882</u>

The notes on pages 7 to 14 form part of these financial statements.

PL Management Limited

Notes to the Financial Statements For the Period Ended 30 January 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

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.

Information on the impact of first-time adoption of FRS 102 is given in note 18.

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.

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 Group and 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.

PL Management Limited is controlled by Harrods Estates Limited. Harrods Estates Limited is a wholly owned subsidiary of Harrods 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.

The following principal accounting policies have been applied:

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 Limited as at 30 January 2016 and these financial statements may be obtained from the Registrar of Companies.

1.3 Turnover

Property management fees are recognised in the period in which the service is provided.

1.4 Investments

The company accounts for their fixed asset investments at the lower of cost or directors' valuation less any provision required for permanent diminution in value.

Harrods Estates Paris SA was incorporated on 18 July 2013 to undertake the asset management of commercial buildings in Paris.

PL Management Limited

**Notes to the Financial Statements
For the Period Ended 30 January 2016**

1. Accounting policies (continued)

1.5 Current and deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

2. Turnover

The turnover and profit on ordinary activities before taxation is attributable to continuing operations as follows:

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Turnover excluding VAT arises from operations in the United Kingdom	2,146,315	1,722,754
	<u>2,146,315</u>	<u>1,722,754</u>

3. Interest receivable

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Interest receivable from group companies	369	1,790
Other interest receivable	93	18,056
	<u>462</u>	<u>19,846</u>

4. Interest payable and similar charges

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Bank interest payable	9,374	16,939
Loans from group undertakings	53,564	54,323
	<u>62,938</u>	<u>71,262</u>

PL Management Limited

Notes to the Financial Statements
For the Period Ended 30 January 2016

5. Employees

Staff costs were as follows:

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Wages and salaries	1,268,137	1,034,943
Social security costs	141,247	112,048
Cost of defined contribution scheme	57,791	53,367
	<u>1,467,175</u>	<u>1,200,358</u>

The average number of employees of the company during the period was 19 (2015: 19).

6. Directors' remuneration

During the period retirement benefits were accruing for 1 director (2015: 1).

The value of emoluments incurred directly by the company was £258,158 (2015: £217,244).

Included in emoluments for the period ended 30 January 2016 are pension contributions of £14,213 (2015: £14,072).

7. Taxation

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Current tax		
Group relief payable for the period	57,247	67,185
Total current tax	<u>57,247</u>	<u>67,185</u>
Deferred tax		
Origination and reversal of timing differences	2,220	(227)
Total deferred tax	<u>2,220</u>	<u>(227)</u>
Taxation on profit on ordinary activities	<u>59,467</u>	<u>66,958</u>

PL Management Limited

Notes to the Financial Statements
For the Period Ended 30 January 2016

7. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2015 - higher 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 £	52 weeks ended 31 January 2015 £
Profit on ordinary activities before tax	<u>294,435</u>	<u>313,167</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.16% (2015 - 21.32%)	59,363	66,778
Effects of:		
Expenses not deductible for tax purposes	150	91
Impact of tax rate changes	(46)	89
Total tax charge for the period	<u>59,467</u>	<u>66,958</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.

Following the substantive enactment of Finance (No. 2) Act 2015 on 18 November 2015, future tax rates will further decrease from 20% to 19% from 1 April 2017 and then down to 18% from 1 April 2020. As a result, deferred tax balances have been calculated using 18% on the basis that the assets/liabilities are expected to unwind over a number of years.

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.

Deferred Tax

Deferred tax provided for at 18% (2015: 18% and 20%) in the financial statements is set out below:

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Provisions	<u>1,719</u>	<u>3,939</u>

8. Fixed asset investments

Shares in group undertakings and participating interests.

	Investments in subsidiary companies
Cost or valuation At 1 February 2015 and at 30 January 2016	837,683
Net book value At 30 January 2016 and at 31 January 2015	<u>837,683</u>

PL Management Limited

Notes to the Financial Statements
For the Period Ended 30 January 2016

9. Dividends

	52 weeks ended 30 January 2016 £	52 weeks ended 31 January 2015 £
Equity - ordinary	-	250,000
	<u>-</u>	<u>250,000</u>

Interim paid: £0 (2015: £125,000) per £1 share.

10. Debtors

	30 January 2016 £	31 January 2015 £
Trade debtors	825,907	226,565
Prepayments and accrued income	53,118	67,763
Deferred taxation	1,719	3,939
	<u>880,744</u>	<u>298,267</u>

11. Creditors: Amounts falling due within one year

	30 January 2016 £	31 January 2015 £
Trade creditors	10,652	4,782
Amounts owed to group undertakings	15,253	13,698
Group relief payable	60,843	60,692
Taxation and social security	77,367	42,995
Accruals and deferred income	181,283	185,705
	<u>345,398</u>	<u>307,872</u>

12. Creditors: Amounts falling due after more than one year

	30 January 2016 £	31 January 2015 £
Amounts owed to group undertakings	837,682	837,682
Accruals and deferred income	9,552	11,750
	<u>847,234</u>	<u>849,432</u>

PL Management Limited

**Notes to the Financial Statements
For the Period Ended 30 January 2016**

13. Share capital

30 January 2016	31 January 2015
£	£

Authorised, allotted, called up and fully paid

2- Ordinary shares of £1 each

<u>2</u>	<u>2</u>
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Authorised share capital 100 ordinary shares of £1 each.

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

14. Capital commitments

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

15. Contingent liabilities

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

16. Transactions with related parties

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

There are no other related party transactions.

17. Controlling party

The company is controlled by Harrods Estates Limited. Harrods Estates Limited is a company registered in England and Wales. The ultimate United Kingdom parent undertaking of Harrods Estates 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 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.

PL Management Limited

18. First time adoption of FRS 102

The company transitioned to FRS102 from previously extant UK GAAP as at 1 February 2015. The impact of the transition to FRS102 is as follows:

Reconciliation of Balance Sheet

	As previously stated 1 February 2014 £	Effect of transition 1 February 2014 £	FRS 102 (as restated) 1 February 2014 £	As previously stated 31 January 2015 £	Effect of transition 31 January 2015 £	FRS 102 (as restated) 31 January 2015 £
Fixed assets	837,683	-	837,683	837,683	-	837,683
Current assets	851,807	-	851,807	622,564	-	622,564
Creditors: amounts falling due within one year	(525,538)	(10,924)	(536,462)	(298,828)	(9,044)	(307,872)
Net current assets	326,269	(10,924)	315,345	323,736	(9,044)	314,692
Total assets less current liabilities	1,163,952	(10,924)	1,153,028	1,161,419	(9,044)	1,152,375
Creditors: amounts falling due after more than one year	(837,682)	(8,388)	(846,070)	(837,682)	(11,750)	(849,432)
Provisions for liabilities	-	3,713	3,713	-	3,939	3,939
Net assets	326,270	(15,599)	310,671	323,737	(16,855)	306,882
Capital and reserves	326,270	(15,599)	310,671	323,737	(16,855)	306,882

PL Management Limited

Notes to the Financial Statements
For the Period Ended 30 January 2016

18. First time adoption of FRS 102 (continued)

Reconciliation of Profit and Loss

	As previously stated 31 January 2015 £	Effect of transition 31 January 2015 £	FRS 102 (as restated) 31 January 2015 £
Turnover	1,722,754	-	1,722,754
	1,722,754	-	1,722,754
Administrative expenses	(1,396,687)	(1,484)	(1,398,171)
Other operating income	40,000	-	40,000
Operating profit	366,067	(1,484)	364,583
Interest receivable and similar income	19,847	-	19,847
Interest payable and similar charges	(71,262)	-	(71,262)
Taxation	(67,185)	227	(66,958)
Profit on ordinary activities after taxation and for the financial period	247,467	(1,257)	246,210

Explanation of changes to previously reported profit and equity:

1 Holiday pay accrual

Under previous UK GAAP, the company did not accrue for any holiday pay earned where holiday entitlement was expected to be taken in the subsequent financial year. Under FRS 102, the company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact is the recognition of a holiday pay accrual on the BS (creditors due within one year) of £9,044 and £10,924 as at 31 January 2015 and 1 February 2014 respectively, and in the P&L – Administrative expenses credit £1,879 as at 31 January 2015.

2 Long service awards

Under UK GAAP there is no specific requirement to recognise long service awards, however, FRS102 specifically identifies these employee benefits under section 28.29 (a) and their required recognition is detailed under section 28.30. The impact is the recognition of a long service award provision of £11,750 and £8,388 at 31 January 2015 and 1 February 2014 respectively, and in the P&L – administrative expenses £605 as at 31 January 2015, and reflects the present value of the benefit obligation at the reporting date.

3 Deferred Tax

Balance Sheet - Provisions for liabilities Deferred tax on Holiday and Long Service award accruals