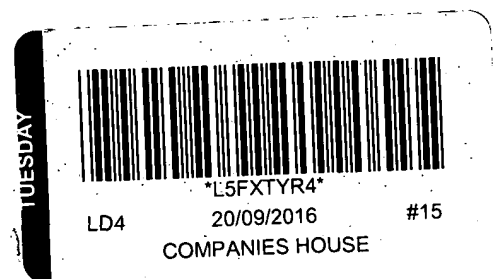


Financial Statements Longulf Trading (UK) Limited

For the year ended 31 December 2015



Registered number: 01287237

Longulf Trading (UK) Limited

Company Information

Directors	D A Saeed H B El-Kasar N D Marsden P S Pieri
Company secretary	Gray's Inn Secretaries Limited
Registered number	01287237
Registered office	Prince Albert House 2 Kingsmill Terrace London NW8 6BN
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	Barclays Bank plc North West Larger Business Team 7th Floor 1 Marsden Street Manchester M2 1HW
Solicitors	SNR Denton UK LLP 1 Fleet Place London EC4M 7WS

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 20

Strategic Report

For the Year Ended 31 December 2015

Principal activity and business review

The principal activity of the company is that of an agent for the general exporting and importing of merchandise.

The financial results are set out in the Income statement.

Future developments

The company is looking to continue to act as agents for general import and export services.

Principal risks and uncertainties

The company uses various financial instruments: these include related party loans, overdraft facilities, cash, and various items such as trade and related party debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. No transactions in derivatives take place and the main risks arising from the company's financial instruments are currency risk, credit risk and liquidity risk.

Currency risk

The company is exposed to translation and foreign exchange risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency.

Credit risk

The company's principal financial assets are its debtors with group and related undertakings.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company finances its operations through a mixture of retained profits, bank borrowings and amounts provided by related undertakings.

Key performance indicators

The directors measure the success of the company by looking at growth in sales and how well overhead costs are controlled.

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



D A Saeed
Director

Date: 13/09/2016

Directors' Report

For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Results and dividends

The profit for the year, after taxation, amounted to £315,317 (2014 - £255,763).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

D A Saeed
H B El-Kasar
N D Marsden
P S Pieri

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Longulf Trading (UK) Limited

Directors' Report

For the Year Ended 31 December 2015

Post balance sheet events

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

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



D A Saeed
Director

Date: 13/09/2016



Independent Auditor's Report to the Members of Longulf Trading (UK) Limited

We have audited the financial statements of Longulf Trading (UK) Limited for the year ended 31 December 2015, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. 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 auditor

As explained more fully in the Directors' responsibilities statement, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 31 December 2015 and of its profit for the year 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Longulf Trading (UK) 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.

Grant Thornton UK LLP

Philip R Westerman (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
London
Date: 13/09/16

Statement of Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	43,436,063	38,694,784
Cost of sales		(39,241,238)	(34,920,977)
Gross profit		4,194,825	3,773,807
Administrative expenses		(3,806,841)	(3,442,809)
Operating profit		387,984	330,998
Interest receivable and similar income	7	37	55
Interest payable and similar charges	8	(1,702)	(519)
Profit on ordinary activities before taxation		386,319	330,534
Taxation on profit on ordinary activities	9	(71,002)	(74,771)
Profit for the financial year		315,317	255,763
Other comprehensive income for the year		-	-
Total comprehensive income for the year		315,317	255,763

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 other than those included in the income statement.

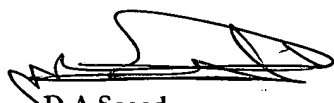
The notes on pages 9 to 20 form part of these financial statements.

Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	10	217,970	27,749
Tangible assets	11	202,916	284,398
Investments	12	-	1,000
		<u>420,886</u>	<u>313,147</u>
Current assets			
Debtors: Amounts falling due within one year	13	4,576,263	3,289,301
Cash at bank and in hand	14	25,403	24,609
		<u>4,601,666</u>	<u>3,313,910</u>
Creditors: Amounts falling due within one year	15	(1,722,253)	(642,075)
		<u>2,879,413</u>	<u>2,671,835</u>
Net current assets		<u>3,300,299</u>	<u>2,984,982</u>
Total assets less current liabilities		<u>3,300,299</u>	<u>2,984,982</u>
Net assets		<u>3,300,299</u>	<u>2,984,982</u>
Capital and reserves			
Called up share capital	16	2,000	2,000
Profit and loss account		3,298,299	2,982,982
		<u>3,300,299</u>	<u>2,984,982</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


D A Saeed
Director

Date: 13/09/2016

The notes on pages 9 to 20 form part of these financial statements.

Statement of Changes in Equity

As at 31 December 2015

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	2,000	2,982,982	2,984,982
Comprehensive income for the year			
Profit for the year	-	315,317	315,317
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	315,317	315,317
Total contributions by and distributions to owners	-	-	-
At 31 December 2015	2,000	3,298,299	3,300,299

Statement of Changes in Equity

As at 31 December 2014

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	2,000	2,727,219	2,729,219
Comprehensive income for the year			
Profit for the year	-	255,763	255,763
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	255,763	255,763
Total contributions by and distributions to owners	-	-	-
At 31 December 2014	2,000	2,982,982	2,984,982

The notes on pages 9 to 20 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

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.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and have, therefore, used the going concern basis in preparing the financial statements.

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 (see note 2).

1.2 Turnover

Turnover comprises amounts invoiced in respect of goods and services supplied during the year, excluding value added tax, where applicable, and intra group sales.

Turnover also includes commission based on a set mark up on administrative expenses.

1.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful economic lives, using the straight line method. The intangible assets are amortised over the following useful economic lives:

Software - 25% per annum on cost

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following bases:

Leasehold improvements	-	15% per annum on cost
Motor vehicles	-	25% per annum on cost
Fixtures and fittings	-	25% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income statement.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the Income statement on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.9 Creditors

Short term creditors are measured at the transaction price.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Income statement..

1.11 Pensions

The company operates a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the Income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.13 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.14 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

1.15 Cash flow statement

The individual accounts of Longulf Trading (UK) Limited have adopted the disclosure exemption from the requirement to present a statement of cash flows and related notes.

1.16 Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no material judgments or estimates in preparation of these financial statements.

The directors consider, in relation to the requirement to disclose the remuneration of key management personnel, that key management comprise the Board of directors. Their remuneration is disclosed in note 6.

Notes to the Financial Statements

For the Year Ended 31 December 2015

3. Turnover

Turnover comprises amounts invoiced in respect of goods and services supplied during the year, excluding value added tax, where applicable, and intra group sales.

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	228,194	219,638
Overseas	43,207,869	38,475,146
	<u>43,436,063</u>	<u>38,694,784</u>

Of the company's overseas turnover, £1,708,685 (2014: £1,689,977) relates to sales to factories located in Yemen who fall within the HSA group of companies.

4. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	87,450	87,645
Amortisation of intangible assets	36,466	6,245
Auditor's remuneration	31,750	28,906
Auditor's remuneration - non audit	7,500	7,500
Operating leases:		
- equipment	24,481	17,894
- rent	150,000	150,000
Difference on foreign exchange	5,042	496
Other pension costs	161,345	125,194
	<u>161,345</u>	<u>125,194</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

5. Employees

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,130,459	1,927,025
Social security costs	242,575	218,685
Other pension costs	161,345	125,194
	<u>2,534,379</u>	<u>2,270,904</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Management and administration staff	27	25
Number of sales staff	16	16
	<u>43</u>	<u>41</u>

6. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	347,100	340,600
Company contributions to defined contribution pension schemes	72,653	55,650
	<u>419,753</u>	<u>396,250</u>

The highest paid director received remuneration of £104,300 (2014 - £102,000).

7. Interest receivable

	2015 £	2014 £
Interest receivable	37	55
	<u>37</u>	<u>55</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

8. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	1,702	519
	<u>1,702</u>	<u>519</u>

9. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	71,002	75,065
Adjustments in respect of previous periods	-	(294)
	<u>71,002</u>	<u>74,771</u>
Taxation on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20.25% (2014 -21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>386,319</u>	<u>330,534</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.5%)	78,217	71,065
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	50	4,499
Capital allowances for year in excess of depreciation	6,901	7,405
Adjustments to tax charge in respect of prior periods	(8,596)	(294)
Income not taxable for tax purposes	(10,067)	-
Group relief	-	(7,882)
Deferred tax not recognised	4,497	-
Difference between effective tax rate and FRS 102 disclosure tax rate	-	(22)
	<u>71,002</u>	<u>74,771</u>
Total tax charge for the year		

Notes to the Financial Statements

For the Year Ended 31 December 2015

9. Taxation (continued)

Factors that may affect future tax charges

The charge for group relief represents amounts payable to other group companies for tax losses surrendered. Deferred tax assets of £22,198 (2014: £22,016) in respect of decelerated capital allowances have not been recognised in these financial statements.

10. Intangible assets

	Computer software £
Cost	
At 1 January 2015	288,336
Additions	226,686
At 31 December 2015	<u>515,022</u>
Amortisation	
At 1 January 2015	260,586
Charge for the year	36,466
At 31 December 2015	<u>297,052</u>
Net book value	
At 31 December 2015	<u><u>217,970</u></u>
At 31 December 2014	<u><u>27,749</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11. Tangible fixed assets

	Leasehold improvement £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2015	1,120,438	40,000	156,242	1,316,680
Additions	-	-	5,968	5,968
At 31 December 2015	1,120,438	40,000	162,210	1,322,648
Depreciation				
At 1 January 2015	906,862	12,500	112,920	1,032,282
Charge for the period	57,941	10,000	19,509	87,450
At 31 December 2015	964,803	22,500	132,429	1,119,732
Net book value				
At 31 December 2015	155,635	17,500	29,781	202,916
At 31 December 2014	213,576	27,500	43,322	284,398

12. Fixed asset investments

	Investments in subsidiary company £
At 1 January 2015	1,000
Disposals	(1,000)
At 31 December 2015	-
Net book value	
At 31 December 2015	-
At 31 December 2014	1,000

The shares in the group undertaking represent the cost of 1 ordinary share in Stamrate Limited which was registered in England and Wales and was a wholly owned subsidiary until it was dissolved in the year.

Notes to the Financial Statements

For the Year Ended 31 December 2015

13. Debtors

	2015 £	2014 £
Due within one year		
Amounts owed by group undertakings	96,342	102,912
Amounts owed by related undertakings	4,214,482	2,742,486
Other debtors	88,085	213,576
Prepayments and accrued income	177,354	230,327
	<u>4,576,263</u>	<u>3,289,301</u>

Amounts owed by related undertakings comprise amounts due from factories located in Yemen who fall within the HSA group of companies.

14. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	25,403	24,609
Less: bank overdrafts	(1,226,888)	(169,557)
	<u>(1,201,485)</u>	<u>(144,948)</u>

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	1,226,888	169,557
Trade creditors	80,234	51,875
Amounts owed to group undertakings	229,080	228,812
Corporation tax	50,393	54,166
Taxation and social security	65,993	64,250
Accruals and deferred income	69,665	73,415
	<u>1,722,253</u>	<u>642,075</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

16. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,000 Ordinary shares shares of £1 each	1,000	1,000
1,000 Deferred shares shares of £1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>

The deferred shares entitle the holder to a fixed non cumulative dividend at the rate of one per cent per annum for any financial year of the company in respect of which the net distributable profits of the company exceed £50,000,000. On winding up the holders would receive the return of their capital from any surplus exceeding £50,000,000. These shares are non voting.

17. Contingent liabilities

There were no contingent liabilities at 31 December 2015 or 31 December 2014.

18. Capital commitments

The company held no capital commitments at 31 December 2015 or 31 December 2014.

19. Operating lease commitments

At 31 December 2015 the company had total commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	150,000	150,000
Between one and five years	75,000	225,000
Total	<u>225,000</u>	<u>375,000</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

20. Related party transactions

Under FRS 102 the company is exempt from the requirement to disclose transactions with other group companies on the basis that it is a wholly owned subsidiary and its results are consolidated into that of the parent company.

The immediate parent undertaking is Longulf Limited, which is registered England and Wales and owns 100% of the issued share capital of the company.

The entire share capital of Longulf Limited is held by Europa Holdings Limited, an entity incorporated in the Cayman Islands. The directors consider that the smallest and the largest group of undertakings with a group accounts reporting requirement is that headed by Longulf Limited.

The ultimate parent undertaking is Capital House Investments Limited, incorporated in the Cayman Islands.

21. Transition to FRS 102

The company has adopted FRS 102 for the year ended 31 December 2015 and has restated the comparative prior year amounts where appropriate.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on net equity or profit or loss.

As a result of applying FRS 102, software has now been presented as an intangible fixed asset where previously treated as a tangible fixed asset.