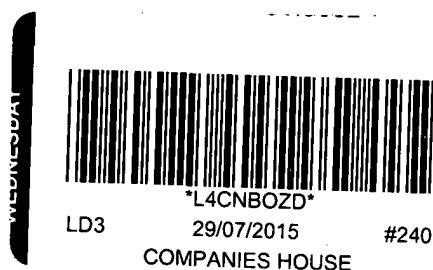


# Financial Statements

## Longulf Trading (UK) Limited

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For the year ended 31 December 2014



**Registered number: 01287237**

## Company Information

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

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# Directors' Report

For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

## **Results and dividends**

The profit for the year, after taxation, amounted to £255,763 (2013 - £223,918).

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 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 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**

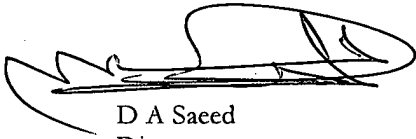
## Directors' Report

**For the year ended 31 December 2014**

### **Auditor**

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: 13/07/15

## **Strategic Report**

**For the year ended 31 December 2014**

### **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 profit and loss account.

### **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 on

and signed on its behalf.



**D A Saeed**

**Director**

13/07/15

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

We have audited the financial statements of Longulf Trading (UK) Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet 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 member 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 member 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 member 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 (APB'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](http://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 2014 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 Member 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.

A handwritten signature in black ink, appearing to read "Philip R Westerman".

Philip R Westerman (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
London  
Date: 10/7/14



## Profit and Loss Account

For the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1,2	38,694,784	38,111,943
Cost of sales		<u>(34,920,977)</u>	<u>(34,485,656)</u>
<b>Gross profit</b>		3,773,807	3,626,287
Administrative expenses		<u>(3,442,809)</u>	<u>(3,338,534)</u>
<b>Operating profit</b>	3	330,998	287,753
Interest receivable and similar income	6	55	-
Interest payable and similar charges	7	<u>(519)</u>	<u>(1,048)</u>
<b>Profit on ordinary activities before taxation</b>		330,534	286,705
Tax on profit on ordinary activities	8	<u>(74,771)</u>	<u>(62,787)</u>
<b>Profit for the financial year</b>	15	<u><u>255,763</u></u>	<u><u>223,918</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.


The notes on pages 8 to 16 form part of these financial statements.

## Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	9		312,147		360,180
Investments	10		1,000		1,000
			<u>313,147</u>		<u>361,180</u>
<b>Current assets</b>					
Debtors	11	3,289,301		3,752,882	
Cash at bank and in hand		24,609		27,139	
		<u>3,313,910</u>		<u>3,780,021</u>	
<b>Creditors: amounts falling due within one year</b>	12	(642,075)		(961,982)	
<b>Net current assets</b>			<u>2,671,835</u>		<u>2,818,039</u>
<b>Total assets less current liabilities</b>			<u>2,984,982</u>		<u>3,179,219</u>
<b>Creditors: amounts falling due after more than one year</b>	13		-		(450,000)
<b>Net assets</b>			<u>2,984,982</u>		<u>2,729,219</u>
<b>Capital and reserves</b>					
Called up share capital	14		2,000		2,000
Profit and loss account	15		2,982,982		2,727,219
<b>Shareholders' funds</b>	16		<u>2,984,982</u>		<u>2,729,219</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: 13/07/15

The notes on pages 8 to 16 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 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 applicable accounting standards.

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 principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### 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 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives 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

### 1.4 Investments

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

### 1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 1. Accounting Policies (continued)

### 1.6 Foreign currencies

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 Profit and loss account.

### 1.7 Pensions

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

### 1.8 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 profit and loss account. 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.

### 1.9 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

### 1.10 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.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 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.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	219,638	214,373
Overseas	38,475,146	37,897,570
	<u>38,694,784</u>	<u>38,111,943</u>

Of the company's overseas turnover, £1,689,977 (2013: £2,050,917) relates to sales to factories located in Yemen who fall within the HSA group of companies.

## 3. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	93,890	78,860
Auditor's remuneration	28,906	22,821
Auditor's remuneration - non audit	7,500	7,500
Operating leases:		
- equipment	17,894	30,599
- rent	150,000	150,000
Difference on foreign exchange	496	1,149
Profit on disposal of fixed assets	-	(7,000)
	<u></u>	<u></u>

## 4. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,927,025	1,885,874
Social security costs	218,685	216,752
Other pension costs	125,194	124,591
	<u>2,270,904</u>	<u>2,227,217</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 4. Staff costs (continued)

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

	2014 No.	2013 No.
Management and administration staff	25	25
Sales staff	16	16
	<u>41</u>	<u>41</u>

## 5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>340,600</u>	<u>335,100</u>
Company pension contributions to defined contribution pension schemes	<u>55,620</u>	<u>55,245</u>

The highest paid director received remuneration of £102,000 (2013 - £101,400).

## 6. Interest receivable

	2014 £	2013 £
Interest receivable	<u>55</u>	<u>-</u>

## 7. Interest payable

	2014 £	2013 £
Interest payable	<u>519</u>	<u>1,048</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 8. Taxation

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	75,065	62,787
Adjustments in respect of prior periods	(294)	-
<b>Tax on profit on ordinary activities</b>	<u>74,771</u>	<u>62,787</u>

### Factors affecting tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>330,534</u>	<u>286,705</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	71,065	66,659
<b>Effects of:</b>		
Expenses not deductible for tax purposes	4,499	9,122
Capital allowances for year compared to depreciation	7,405	(5,661)
Adjustments to tax charge in respect of prior periods	(294)	-
Group relief	(7,882)	(7,322)
Difference between effective tax rate and FRS19 disclosure tax rate	(22)	(11)
<b>Current tax charge for the year</b> (see note above)	<u>74,771</u>	<u>62,787</u>

### 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 £22,016 (2013: £20,173) in respect of decelerated capital allowances have not been recognised in these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 9. Tangible fixed assets

	Leasehold improvement £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2014	1,104,823	40,000	414,336	1,559,159
Additions	15,615	-	30,242	45,857
At 31 December 2014	1,120,438	40,000	444,578	1,605,016
<b>Depreciation</b>				
At 1 January 2014	848,922	2,500	347,557	1,198,979
Charge for the year	57,940	10,000	25,950	93,890
At 31 December 2014	906,862	12,500	373,507	1,292,869
<b>Net book value</b>				
At 31 December 2014	213,576	27,500	71,071	312,147
At 31 December 2013	255,901	37,500	66,779	360,180

## 10. Fixed asset investments

	Investments in subsidiary company £
<b>Cost or valuation</b>	
At 1 January 2014 and 31 December 2014	1,000
<b>Net book value</b>	
At 31 December 2014	1,000
At 31 December 2013	1,000

The shares in the group undertaking represent the cost of 1 ordinary shares in Stamrate Limited which is registered in England and Wales and is a wholly owned subsidiary. Stamrate Limited was dormant during the year and had net assets of £7,618 (2013: £7,618).



# Notes to the Financial Statements

For the year ended 31 December 2014

## 11. Debtors

	2014	2013
	£	£
Amounts owed by other group undertakings	102,912	42,760
Amounts owed by related undertakings	2,742,486	3,384,139
Other debtors	213,576	181,570
Prepayments and accrued income	230,327	144,413
	<u>3,289,301</u>	<u>3,752,882</u>

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

## 12. Creditors:

### Amounts falling due within one year

	2014	2013
	£	£
Bank overdrafts	169,557	519,074
Trade creditors	51,875	56,427
Amounts owed to group undertakings	228,812	211,687
Amounts owed to related undertakings	-	1,749
Corporation tax	54,166	42,182
Other taxation and social security	64,250	58,564
Accruals and deferred income	73,415	72,299
	<u>642,075</u>	<u>961,982</u>

Part of the bank overdraft is secured by a fixed and floating charge over all the assets of the group.

## 13. Creditors:

### Amounts falling due after more than one year

	2014	2013
	£	£
Amounts owed to related undertakings	-	450,000
	<u>-</u>	<u>450,000</u>

The balance detailed above, payable to Yemen Gulf Trading Company, was interest free and had no fixed terms for repayment.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 14. Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
1,000 Deferred 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.

## 15. Profit and loss account

	<b>Profit and loss account £</b>
At 1 January 2014	2,727,219
Profit for the financial year	255,763
	<u>2,982,982</u>
At 31 December 2014	

## 16. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	2,729,219	2,505,301
Profit for the financial year	255,763	223,918
	<u>2,984,982</u>	<u>2,729,219</u>
Closing shareholders' funds		

## 17. Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

## 18. Capital commitments

The company held no capital commitments at 31 December 2014 or 31 December 2013.

## Notes to the Financial Statements

For the year ended 31 December 2014

### 19. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within 1 year	150,000	150,000

### 20. Related party transactions

Under Financial Reporting Standard 8 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.