



Financial Statements

Longulf Trading (UK) Limited

For the year ended 31 December 2017



Registered number: 01287237

Company Information

Directors	D A Saeed Anam 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 30 Finsbury Square London EC2A 1AG
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

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Strategic report

For the year ended 31 December 2017

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 Statement of comprehensive income.

Future developments

The company is looking to continue to act as agents for general import and export services. With effect from 1st January 2018, following an increase in the capital base of the company's parent, Longulf Limited, the company will no longer depend on group support to finance its operations. From 1st January 2018, the company is expected to be stand alone, with the ability to raise finance to support its operations.

Consequently it is proposed that the presentation of the financial statements for the year ended 31 December 2018 will be amended to facilitate the company's objective of providing greater clarity to the users of the financial statements.

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 Anam

Director

Date: 06/09/2018

Directors' report

For the year ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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 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 for the Company's financial statements 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;
- 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £393,561 (2016 - £335,557).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

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

Directors' report (continued)

For the year ended 31 December 2017

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 each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

With effect from 1st January 2018, following an increase in the capital base of the company's parent, Longulf Limited, the company will no longer depend on group support to finance its operations. From 1st January 2018, the company is expected to be stand alone, with the ability to raise finance to support its operations.

Consequently it is proposed that the presentation of the financial statements for the year ended 31 December 2018 will be amended to facilitate the company's objective of providing greater clarity to the users of the financial statements.

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 Anam
Director

Date: 06/09/2018

Independent auditor's report to the members of Longulf Trading (UK) Limited

Opinion

We have audited the financial statements of Longulf Trading (UK) Limited for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Longulf Trading (UK) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.



Independent auditor's report to the members of Longulf Trading (UK) Limited (continued)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Grant Thornton UK LLP

Richard Hagley BSc FCA (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
London

Date: *6 September 2018*

Statement of comprehensive income

For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	72,061,842	62,921,497
Cost of sales		(67,338,624)	(58,632,243)
Gross profit		4,723,218	4,289,254
Administrative expenses		(4,247,522)	(3,897,395)
Operating profit	5	475,696	391,859
Interest receivable and similar income	8	-	64
Interest payable and expenses	9	(824)	(1,647)
Profit before tax		474,872	390,276
Tax on profit	10	(81,311)	(54,719)
Profit for the financial year		393,561	335,557
Total comprehensive income for the year		393,561	335,557

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 10 to 21 form part of these financial statements.

Statement of financial position

As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	156,631	211,306
Tangible assets	12	151,377	122,944
		<u>308,008</u>	<u>334,250</u>
Current assets			
Debtors: amounts falling due within one year	13	7,992,692	4,170,184
Cash at bank and in hand	14	100,378	23,697
		<u>8,093,070</u>	<u>4,193,881</u>
Creditors: amounts falling due within one year	15	(4,371,661)	(892,275)
Net current assets		<u>3,721,409</u>	<u>3,301,606</u>
Total assets less current liabilities		<u>4,029,417</u>	<u>3,635,856</u>
Net assets		<u><u>4,029,417</u></u>	<u><u>3,635,856</u></u>
Capital and reserves			
Called up share capital	16	2,000	2,000
Profit and loss account		4,027,417	3,633,856
		<u><u>4,029,417</u></u>	<u><u>3,635,856</u></u>

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



D A Saeed Anam

Director

Date: 06/09/2018

The notes on pages 10 to 21 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	2,000	3,633,856	3,635,856
Comprehensive income for the year			
Profit for the year	-	393,561	393,561
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	393,561	393,561
At 31 December 2017	2,000	4,027,417	4,029,417

Statement of changes in equity

For the year ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	2,000	3,298,299	3,300,299
Comprehensive income for the year			
Profit for the year	-	335,557	335,557
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	335,557	335,557
At 31 December 2016	2,000	3,633,856	3,635,856

The notes on pages 10 to 21 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2017

1. Company information

Longulf Trading (UK) Limited is a private company limited by shares, registered and incorporated in England. The company's registered office is Prince Albert House, 2 Kingsmill Terrace, London, NW8 6BN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 3).

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.3 Turnover

Turnover excludes Value Added Tax and relates to amounts derived from the provision of goods and services to customers during the year.

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Only the gross inflows of economic benefits received by the entity on its own account are recognised. All amounts collected on behalf of third parties are excluded.

2.4 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 2017

2. Accounting policies (continued)

2.5 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 basis:

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 in the Statement of comprehensive income.

2.6 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.

2.7 Debtors

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

2.8 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.

2.9 Creditors

Short term creditors are measured at the transaction price.

Notes to the financial statements

For the year ended 31 December 2017

2. Accounting policies (continued)

2.10 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 Statement of comprehensive income.

2.11 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.

2.12 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 Statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of comprehensive income. 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.

2.13 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.14 Interest income

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

2.15 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.

Notes to the financial statements

For the year ended 31 December 2017

2. Accounting policies (continued)

2.16 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.

3. 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 7.

4. 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.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	207,398	227,028
Rest of the world	71,854,444	62,694,469
	<u>72,061,842</u>	<u>62,921,497</u>

Notes to the financial statements

For the year ended 31 December 2017

5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	92,392	82,253
Gain on disposal of tangible assets	(5,000)	-
Amortisation of intangible assets	84,339	76,221
Auditor's remuneration - audit fees	26,258	25,967
Auditor's remuneration - corporate tax compliance	6,695	7,750
Operating leases: - equipment	36,182	25,096
Operating leases: - rent	150,000	150,000
Difference on foreign exchange	553	948
Other pension costs	149,382	175,526
	<u>149,382</u>	<u>175,526</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	2,358,780	2,234,568
Social security costs	268,429	251,908
Cost of defined benefit scheme	149,382	175,526
	<u>2,776,591</u>	<u>2,662,002</u>

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

	2017	2016
	No.	No.
Management and administration staff	31	31
Number of sales staff	16	16
	<u>47</u>	<u>47</u>

Notes to the financial statements

For the year ended 31 December 2017

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	314,900	311,425
Company contributions to defined contribution pension schemes	60,225	89,547
	<u>375,125</u>	<u>400,972</u>

The highest paid director received remuneration of £107,400 (2016 - £103,600).

8. Interest receivable

	2017 £	2016 £
Other interest receivable	-	64
	<u>-</u>	<u>64</u>

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	824	1,647
	<u>824</u>	<u>1,647</u>

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	77,082	75,803
Adjustments in respect of previous periods	4,229	(21,084)
Total current tax	<u>81,311</u>	<u>54,719</u>

Notes to the financial statements

For the year ended 31 December 2017

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	474,872	390,276
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	91,397	78,055
Effects of:		
Fixed asset differences	2,397	11,589
Expenses not deductible for tax purposes	3,664	7
Non-taxable income	(17,648)	(7,902)
Adjustments to tax charge in respect of previous periods	4,229	(21,025)
Group relief	-	(4,735)
Average rates deferred tax adjustments	(318)	-
Deferred tax not recognised	(2,410)	(1,270)
Total tax charge for the year	81,311	54,719

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 £23,773 (2016: £26,182) in respect of decelerated capital allowances have not been recognised in these financial statements.

During the year the UK corporation tax rate was decreased. Following Budget 2017 announcements, there will be a further reduction in the main rate of corporation tax to 17% from 1 April 2020.

Notes to the financial statements

For the year ended 31 December 2017

11. Intangible assets

	Computer software £
Cost	
At 1 January 2017	584,579
Additions	29,664
At 31 December 2017	<u>614,243</u>
Amortisation	
At 1 January 2017	373,273
Charge for the year	84,339
At 31 December 2017	<u>457,612</u>
Net book value	
At 31 December 2017	<u><u>156,631</u></u>
At 31 December 2016	<u><u>211,306</u></u>

Notes to the financial statements

For the year ended 31 December 2017

12. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2017	1,120,438	40,000	164,490	1,324,928
Additions	119,476	-	6,349	125,825
Disposals	-	(40,000)	-	(40,000)
At 31 December 2017	1,239,914	-	170,839	1,410,753
Depreciation				
At 1 January 2017	1,022,743	32,500	146,741	1,201,984
Charge for the year on owned assets	74,748	2,500	15,144	92,392
Disposals	-	(35,000)	-	(35,000)
At 31 December 2017	1,097,491	-	161,885	1,259,376
Net book value				
At 31 December 2017	142,423	-	8,954	151,377
At 31 December 2016	97,695	7,500	17,749	122,944

13. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	95,574	67,678
Amounts owed by related undertakings	7,637,419	3,812,723
Other debtors	67,114	72,242
Prepayments and accrued income	192,585	217,541
	<u>7,992,692</u>	<u>4,170,184</u>

Amounts owed by related undertakings comprise amounts due from factories located in the Middle East who fall within the HSA group of companies. The company is part of, and related by common control to, the Hayel Saeed Anam (HSA) group of companies.

Included within amounts owed by related undertakings is £3,588,255 due from Capital House Investments Limited, the company's ultimate parent and controlling party.

Notes to the financial statements

For the year ended 31 December 2017

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	100,378	23,697
Less: bank overdrafts	(3,771,428)	(345,317)
	<u>(3,671,050)</u>	<u>(321,620)</u>

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	3,771,428	345,317
Trade creditors	185,567	140,938
Amounts owed to group undertakings	229,080	229,080
Corporation tax	41,753	35,297
Other taxation and social security	72,933	70,478
Accruals and deferred income	70,900	71,165
	<u>4,371,661</u>	<u>892,275</u>

Notes to the financial statements

For the year ended 31 December 2017

16. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2,000 (2016 - 1,000) Ordinary shares shares of £1 each	2,000	1,000
1,000 Deferred shares shares of £1 each	-	1,000
	<u>2,000</u>	<u>2,000</u>

During the year, all existing deferred shares of £1 each in the capital of the company were re-designated as 1,000 ordinary shares of £1 each.

17. Contingent liabilities

There were no contingent liabilities at 31 December 2017 or 31 December 2016.

18. Capital commitments

The company held no capital commitments at 31 December 2017 or 31 December 2016.

19. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Within 1 year	150,000	75,000
Between 1 and 5 years	600,000	-
After more than 5 years	675,000	-
	<u>1,425,000</u>	<u>75,000</u>

The current lease expired in June 2017 and has been extended post year end for 10 years to June 2027.

Notes to the financial statements

For the year ended 31 December 2017

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.

During the year the company had a \$4.5m overdraft facility with Europe Arab Bank, which was covered by the personal guarantee of Mr Dirhem Abdo Saeed. No payments or liability were incurred by the company in the year for the purpose of fulfilling the guarantee.

Subsequent to the year end, a request has been made by the company to cancel this guarantee, as it is no longer the company's policy to provide such guarantees.

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 and controlling party is Capital House Investments Limited, incorporated in the Cayman Islands.

21. Post balance sheet events

With effect from 1st January 2018, following an increase in the capital base of the company's parent, Longulf Limited, the company will no longer depend on group support to finance its operations. From 1st January 2018, the company is expected to be stand alone, with the ability to raise finance to support its operations.

Consequently it is proposed that the presentation of the financial statements for the year ended 31 December 2018 will be amended to facilitate the company's objective of providing greater clarity to the users of the financial statements.