

Financial Statements Longulf Limited

For the year ended 31 December 2015



Registered number: 01302944



Longulf Limited

Company Information

Directors	D A Saeed H B El-Kasar
Registered number	01302944
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
Group strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Consolidated statement of comprehensive income	6
Consolidated statement of financial position	7
Company statement of financial position	8
Consolidated statement of changes in equity	9
Company statement of changes in equity	10
Consolidated Statement of cash flows	11
Notes to the financial statements	12 - 24

Group Strategic Report

For the Year Ended 31 December 2015

Principal activity and business review

The company acts as a holding company. The main activity of the group are those of agents for general export and import of merchandise.

The financial results are set out in the Income statement.

Future developments

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

Principal risks and uncertainties

The Group uses various financial instruments which 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 Group's operations. No transactions in derivatives take place and the main risks arising from the Group's financial instruments are currency risk, credit risk and liquidity risk.

The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Currency risk

The Group is exposed to translation and transaction 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 Group's principal financial assets are its debtors with related undertakings.

Liquidity risk

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

Key performance indicators

The directors measure the success of the group 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 £323,818 (2014 -£219,090).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

D A Saeed
H B El-Kasar

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 the Group and of the profit or loss of the Group 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 Group 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 the Group 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 the Group 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 and the Group'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 and the Group's auditor is aware of that information.

Longulf Limited

Directors' Report

For the Year Ended 31 December 2015

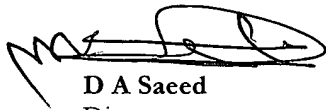
Post balance sheet events

There have been no significant events affecting the Group 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 Shareholders of Longulf Limited

We have audited the financial statements of Longulf Limited for the year ended 31 December 2015, which comprise the consolidated Income statement, the consolidated and company Statements of financial position, the consolidated Statement of cash flows and consolidated and company Statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 Financial Reporting Council'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 Group's and the parent Company's affairs as at 31 December 2015 and of the Group's 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 Group 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 directors' report has been prepared in accordance with applicable legal requirements.



Independent Auditor's Report to the Shareholders of Longulf 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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
Chartered Accountants
Statutory Auditor
London

Date: 13/09/16

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	44,253,231	39,152,887
Cost of sales		(39,943,625)	(35,317,304)
Gross profit		4,309,606	3,835,583
Administrative expenses		(3,913,121)	(3,541,258)
Operating profit	4	396,485	294,325
Interest receivable and similar income	7	37	55
Interest payable and expenses	8	(1,702)	(519)
Profit on ordinary activities before taxation		394,820	293,861
Taxation on profit on ordinary activities	9	(71,002)	(74,771)
Other comprehensive income for the year		-	-
Profit for the year		323,818	219,090
Profit for the financial year attributable to:			
Owners of the parent		323,818	219,090
Total comprehensive income for the year		323,818	219,090

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the consolidated income statement.

The notes on pages 12 to 24 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	10	217,970	27,749
Tangible assets	12	196,912	278,394
		<u>414,882</u>	<u>306,143</u>
Current assets			
Debtors	15	4,350,180	3,064,654
Cash at bank and in hand	16	59,874	53,232
		<u>4,410,054</u>	<u>3,117,886</u>
Creditors: Amounts falling due within one year	17	(1,511,542)	(434,453)
Net current assets		<u>2,898,512</u>	<u>2,683,433</u>
Net assets		<u><u>3,313,394</u></u>	<u><u>2,989,576</u></u>
Capital and reserves			
Called up share capital	21	3,000,000	3,000,000
Capital reserve		9,113	9,113
Profit and loss account		304,281	(19,537)
Equity attributable to owners of the parent Company		<u><u>3,313,394</u></u>	<u><u>2,989,576</u></u>
		<u><u>3,313,394</u></u>	<u><u>2,989,576</u></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 12 to 24 form part of these financial statements.

Company Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	13	36,675	36,775
		<u>36,675</u>	<u>36,775</u>
Current assets			
Debtors	15	109,941	109,841
		<u>109,941</u>	<u>109,841</u>
Creditors: Amounts falling due within one year	17	(59,925)	(59,925)
		<u>50,016</u>	<u>49,916</u>
Net current assets		<u>50,016</u>	<u>49,916</u>
Total assets less current liabilities		<u>86,691</u>	<u>86,691</u>
		<u>86,691</u>	<u>86,691</u>
Net assets		<u>86,691</u>	<u>86,691</u>
Capital and reserves			
Called up share capital	21	3,000,000	3,000,000
Profit and loss account		(2,913,309)	(2,913,309)
		<u>86,691</u>	<u>86,691</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

Consolidated Statement of Changes in Equity

As at 31 December 2015

	Share capital £	Capital reserve £	Retained earnings £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2015	3,000,000	9,113	(19,537)	2,989,576	2,989,576
Comprehensive income for the year					
Profit for the year	-	-	323,818	323,818	323,818
Total comprehensive income for the year	-	-	323,818	323,818	323,818
Total contributions by and distributions to owners	-	-	-	-	-
At 31 December 2015	3,000,000	9,113	304,281	3,313,394	3,313,394

Consolidated Statement of Changes in Equity

As at 31 December 2014

	Share capital £	Capital reserve £	Retained earnings £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2014	3,000,000	9,113	(238,627)	2,770,486	2,770,486
Comprehensive income for the year					
Profit for the year	-	-	219,090	219,090	219,090
Total comprehensive income for the year	-	-	219,090	219,090	219,090
Total contributions by and distributions to owners	-	-	-	-	-
At 31 December 2014	3,000,000	9,113	(19,537)	2,989,576	2,989,576

The notes on pages 12 to 24 form part of these financial statements.

Company Statement of Changes in Equity

As at 31 December 2015

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	3,000,000	(2,913,309)	86,691
Total comprehensive income for the year	-	-	-
Total contributions by and distributions to owners	-	-	-
At 31 December 2015	3,000,000	(2,913,309)	86,691

Company Statement of Changes in Equity

As at 31 December 2014

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	3,000,000	(2,913,309)	86,691
Total comprehensive income for the year	-	-	-
Total contributions by and distributions to owners	-	-	-
At 31 December 2014	3,000,000	(2,913,309)	86,691

The notes on pages 12 to 24 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	323,818	219,090
Adjustments for:		
Depreciation of tangible fixed assets	123,916	93,890
Interest paid	1,702	519
Interest received	(37)	(55)
Increase in debtors	186,536	(125,030)
Decrease in amounts owed by related undertakings	(1,472,063)	672,938
Increase in creditors	23,531	(440,109)
Increase in amounts owed to related undertakings	-	(31,830)
Corporation tax	(3,773)	11,984
Net cash generated from operating activities	<u>(816,370)</u>	<u>401,397</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(226,686)	(23,713)
Purchase of tangible fixed assets	(5,968)	(22,144)
Interest received	37	55
Net cash from investing activities	<u>(232,617)</u>	<u>(45,802)</u>
Cash flows from financing activities		
Interest paid	(1,702)	(519)
Net cash used in financing activities	<u>(1,702)</u>	<u>(519)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(1,050,689)</u>	<u>355,076</u>
Cash and cash equivalents at beginning of year	(116,325)	(471,401)
Cash and cash equivalents at the end of year	<u>(1,167,014)</u>	<u>(116,325)</u>
Cash at bank and in hand	59,874	53,232
Bank overdrafts	(1,226,888)	(169,557)
	<u>(1,167,014)</u>	<u>(116,325)</u>

The notes on pages 12 to 24 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the company's accounting policies (see note 2).

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

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

1.3 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 Group 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.4 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

1.5 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

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 statement of comprehensive income.

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.7 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.

1.8 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 Income statement.

1.9 Pensions

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

1.10 Deferred taxation

Deferred tax is recognised on 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.11 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.

1.12 Debtors

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

1.13 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.14 Creditors

Short term creditors are measured at the transaction price.

1.15 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.16 Interest income

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

1.17 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

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
Rest of the world	44,025,037	38,933,249
	<u>44,253,231</u>	<u>39,152,887</u>

Of the group's overseas turnover, £3,659,896 (2014: £2,980,796) 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	34,783	32,065
Auditor's remuneration - non audit	7,500	7,500
Equipment leasing	24,481	17,894
Rent - operating leases	150,000	150,000
Difference on foreign exchange	<u>9,460</u>	<u>2,151</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	2,175,437	1,971,627
Social security costs	247,652	223,731
Other pension costs	162,653	126,054
	<u>2,585,742</u>	<u>2,321,412</u>

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

	2015 No.	2014 No.
Management and administration staff	28	26
Sales and distribution staff	17	17
	<u>45</u>	<u>43</u>

6. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	347,100	340,600
	<u>347,100</u>	<u>340,600</u>

The above corresponds to the remuneration paid to directors in Longulf Trading (UK) Limited. The highest paid director received remuneration of £104,300 (2014: £102,000).

7. Interest receivable

	2015 £	2014 £
Other 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
	£	£
Interest payable	1,702	519
	<u>1,702</u>	<u>519</u>

9. Taxation

	2015	2014
	£	£
Current tax on profits for the year	<u>71,002</u>	<u>75,065</u>
Adjustments in respect of previous periods	<u>-</u>	<u>(294)</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 20.25% (2014 -21.5%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>394,820</u>	<u>293,861</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.5%)	79,951	63,180

Effects of:

Expenses not deductible for tax purposes	50	4,499
Capital allowances for year in excess of depreciation	6,901	7,405
Utilisation of tax losses	(3,061)	-
Adjustments to tax charge in respect of prior periods	(8,596)	(294)
Income not taxable for tax purposes	(10,067)	-
Deferred tax not recognised	4,497	-
Differences between effective tax rate and FRS 102 disclosure tax rate	1,327	(19)
Total tax charge for the year	<u>71,002</u>	<u>74,771</u>

Factors that may affect future tax charges

Deferred tax assets of £249,249 (2014: £332,874) in respect of decelerated capital allowances and unrelieved trading and capital losses have not been recognised in these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Intangible assets

Group

	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>

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £Nil (2014 -£Nil).

Notes to the Financial Statements

For the Year Ended 31 December 2015

12. Tangible fixed assets

Group

	Leasehold Improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2015	1,120,438	40,000	150,238	1,310,676
Additions	-	-	5,968	5,968
At 31 December 2015	1,120,438	40,000	156,206	1,316,644
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	23,777	196,912
At 31 December 2014	213,576	27,500	37,318	278,394

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	36,775
Disposals	(100)
At 31 December 2015	36,675
Net book value	
At 31 December 2015	36,675
At 31 December 2014	36,775

Notes to the Financial Statements

For the Year Ended 31 December 2015

14. Subsidiaries

The following were subsidiary undertakings of the Company:

Name	Holding Principal activity
Longulf Trading (UK) Limited	100 % Import/Export Agent
Yemen Gulf Line Limited	100 % Shipping

Stamrate Limited, previously a 100% owned subsidiary of Longulf Trading (UK) Limited was dissolved in the year and is no longer part of the Group.

Kingsmill International Limited, previously a 100% owned subsidiary of Longulf Limited was transferred out of the Group in the year together with its 100% owned subsidiary, Teashop Bakeries Limited.

15. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Due within one year				
Trade debtors	397	161	-	-
Amounts owed by group undertakings	-	-	109,941	109,841
Amounts owed by related companies	4,084,382	2,612,320	-	-
Other debtors	80,755	214,012	-	-
Prepayments and accrued income	184,646	238,161	-	-
	<u>4,350,180</u>	<u>3,064,654</u>	<u>109,941</u>	<u>109,841</u>

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

Notes to the Financial Statements

For the Year Ended 31 December 2015

16. Cash and cash equivalents

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	59,874	53,232	-	-
Less: bank overdrafts	(1,226,888)	(169,557)	-	-
	<u>(1,167,014)</u>	<u>(116,325)</u>	<u>-</u>	<u>-</u>

17. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank overdrafts	1,226,888	169,557	-	-
Trade creditors	89,199	54,626	-	-
Amounts owed to group undertakings	-	-	59,823	59,823
Corporation tax	50,393	54,166	-	-
Taxation and social security	65,993	64,250	-	-
Other creditors	102	102	102	102
Accruals and deferred income	78,967	91,752	-	-
	<u>1,511,542</u>	<u>434,453</u>	<u>59,925</u>	<u>59,925</u>

18. Capital commitments

The group had no capital commitments at 31 December 2015 or 31 December 2014.

19. Operating lease commitments

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

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

20. Contingencies

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

Notes to the Financial Statements

For the Year Ended 31 December 2015

21. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
3,000,000 Ordinary shares shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

22. Reserves

Called-up share capital represents the nominal value of shares that have been issued.

Capital reserves comprise foreign exchange movements resulting from past acquisitions.

The profit and loss account includes all current and prior period retained profits and losses.

23. Related party transactions

Under FRS 102 the Group is exempt from the requirement to disclose transactions with other group companies on the basis that they are a wholly owned subsidiaries whose results are consolidated into that of the parent company.

Capital House Investments Limited owns 100% of the share capital of Europa Holdings Limited, which in turn owns 100% of the share capital of Longulf Limited. Both Capital House Investments Limited and Europa Holdings Limited are incorporated in the Cayman Islands.

24. Transition to FRS 102

The Group 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 Group'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.