

## **Longbell Limited**

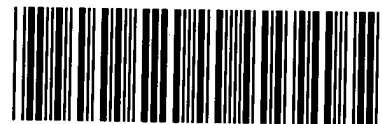
Report and Financial Statements

Year Ended

31 March 2015

Company Number 3268638

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# Longbell Limited

## Report and financial statements for the year ended 31 March 2015

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### Directors

R Gubbay  
P Gubbay  
L Khalastchi  
E Gubbay

### Secretary and registered office

S Zainuddin, 7 Praed Street, London, W2 1NJ

### Company number

3268638

### Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

# Longbell Limited

## Report of the directors for the year ended 31 March 2015

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The directors present their report together with the audited financial statements for the year ended 31 March 2015.

### Results

The profit and loss account is set out on page 5 and shows the loss for the year.

### Principal activities

The principal activity of the company is that of property investment. Investments are held as a direct shareholding in property investment companies.

### Directors

The directors during the year were:

P Gubbay  
L Khalastchi  
R Gubbay  
E Gubbay

### Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 judgements 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.

# Longbell Limited

## Report of the directors for the year ended 31 March 2015 (Continued)

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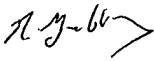
### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this report the directors have taken advantage of the small companies' exemption.

### By order of the Board



R Gubbay  
Director

Date 23/09/2015

# Longbell Limited

## Report of the independent auditors

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONGBELL LIMITED

We have audited the financial statements of Longbell Limited for the year ended 31 March 2015 which comprise the profit and loss account, statement of total recognised gains and losses, 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 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 auditors*

As explained more fully in the statement of directors' responsibilities, 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 (FRC'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 FRC'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 March 2015 and of its loss 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 matters prescribed by the Companies Act 2006*

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Longbell Limited

## Report of the independent auditors (*Continued*)

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### *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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.

*Ry. ul*

*Richard Levy (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

Date *24 September 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Longbell Limited

## Profit and loss account for the year ended 31 March 2015

|   | Note | 2015<br>£ | 2014<br>£   |
|---|------|-----------|-------------|
| Administrative expenses                                     |      | (255,856) | (104,819)   |
| <b>Operating loss</b>                                       | 3    | (255,856) | (104,819)   |
| <b>Other (expenses)/income</b>                              |      |           |             |
| Loss on exchange difference                                 |      | (79,534)  | (415,024)   |
| Income from fixed asset investments                         |      | 20,334    | -           |
| Provision for impairment of fixed asset investments         |      | (5,600)   | (1,768,428) |
| Loss on disposal of fixed asset investments                 |      | (205)     | -           |
| (Loss)/income from current asset investments                |      | (33,297)  | 51,401      |
| Interest receivable   |      | 211,767   | 242,714     |
| <b>Loss on ordinary activities before taxation</b>          |      | (142,391) | (1,994,156) |
| Taxation credit / (charge) on loss from ordinary activities | 4    | 18,901    | (15,692)    |
| <b>Loss on ordinary activities after taxation</b>           | 11   | (123,490) | (2,009,848) |

All amounts relate to continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

# Longbell Limited

## Statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 31 March 2015

|  | 2015<br>£                   | 2014<br>£                   |
|--|-----------------------------|-----------------------------|
| <b>Statement of total recognised gains and losses</b>    |                             |                             |
| Loss for the year  | (123,490)                   | (2,009,848)                 |
|  | <u>                    </u> | <u>                    </u> |
| Total recognised gains and losses for the financial year | (123,490)                   | (2,009,848)                 |
|  | <u>                    </u> | <u>                    </u> |
| <b>Note of historical cost profits and losses</b>        |                             |                             |
| Loss for the year before taxation                        | (142,391)                   | (1,994,156)                 |
|  | <u>                    </u> | <u>                    </u> |
| Historical cost loss before taxation                     | (142,391)                   | (1,994,156)                 |
|  | <u>                    </u> | <u>                    </u> |
| Historical cost loss for the year<br>after taxation      | (123,490)                   | (2,009,848)                 |
|  | <u>                    </u> | <u>                    </u> |

The notes on pages 8 to 14 form part of these financial statements.



# Longbell Limited


## Balance sheet at 31 March 2015

Company Number: 3268638

|  | Note | 2015<br>£  | 2015<br>£    | 2014<br>£  | 2014<br>£    |
|--|------|------------|--------------|------------|--------------|
| <b>Fixed assets</b>  |      |            |              |            |              |
| Investments  | 5    |            | 17,175,769   |            | 16,154,295   |
| <b>Current assets</b>  |      |            |              |            |              |
| Debtors due within one year                                    | 6    | 324,852    |              | 282,559    |              |
| Debtors due after one year                                     | 6    | 5,206,533  |              | 6,310,630  |              |
| Investments  | 7    | 2,250,052  |              | 2,290,317  |              |
| Cash at bank and in hand                                       |      | 2,978,366  |              | 1,151,887  |              |
|  |      |            |              |            |              |
|  |      | 10,759,803 |              | 10,035,393 |              |
| <b>Creditors: amounts falling due within one year</b>          | 8    | 87,887     |              | 53,361     |              |
|  |      |            |              |            |              |
| <b>Net current assets</b>                                      |      |            | 10,671,916   |            | 9,982,032    |
|  |      |            |              |            |              |
| <b>Total assets less current liabilities</b>                   |      |            | 27,847,685   |            | 26,136,327   |
|  |      |            |              |            |              |
| <b>Creditors: amounts falling due after more than one year</b> | 9    |            | (18,703,918) |            | (16,869,070) |
|  |      |            |              |            |              |
| <b>Net assets</b>  |      |            | 9,143,767    |            | 9,267,257    |
|  |      |            |              |            |              |
| <b>Capital and reserves</b>                                    |      |            |              |            |              |
| Called up share capital  | 10   |            | 100          |            | 100          |
| Profit and loss account  | 11   |            | 9,143,667    |            | 9,267,157    |
|  |      |            |              |            |              |
| <b>Shareholders' funds</b>                                     | 12   |            | 9,143,767    |            | 9,267,257    |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board and authorised for issue on 23/09/2015



R Gubbay  
Director

The notes on pages 8 to 14 form part of these financial statements.

# Longbell Limited

## Notes forming part of the financial statements for the year ended 31 March 2015

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings. The following principal accounting policies have been applied:

#### *Group financial statements*

The financial statements contain information about Longbell Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by Companies Act 2006 not to produce consolidated financial statements because it is itself a wholly owned subsidiary of its parent undertaking, Prime Commercial Properties Plc. Prime Commercial Properties Plc prepares and files consolidated accounts which incorporate the activities of the company and its subsidiary undertakings.

#### *Investments*

Fixed asset investments and investments in associates are stated at cost, less any provision for impairment.

Current asset investments are held at the lower of cost and net realisable value.

#### *Foreign currency translation*

Transactions denominated in a foreign currency are translated into the functional currency at the rate of exchange ruling on the date the transactions occurred. Monetary assets and liabilities denominated in a foreign currency are translated using the rate of exchange ruling on the balance sheet date.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Finance costs*

Finance costs associated with the issue of debt are deducted from the proceeds of the issue and charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

# Longbell Limited

## Notes forming part of the financial statements for the year ended 31 March 2015

### 2 Employees and directors

|                         | 2015<br>£      | 2014<br>£     |
|-------------------------|----------------|---------------|
| Staff costs consist of: |                |               |
| Wages and salaries      | 101,930        | 51,329        |
| Social security costs   | 8,942          | 5,137         |
|                         | <u>110,872</u> | <u>56,466</u> |

The company has two employees apart from the directors during the year under review (2014 – 2). The directors received aggregate emoluments of £35,000 during the year (2014 - £Nil). The emoluments of the highest paid director were £35,000 (2014 - £Nil).

### 3 Operating loss

|  | 2015<br>£    | 2014<br>£    |
|--|--------------|--------------|
| This has been arrived at after charging: |              |              |
| Auditors' remuneration                   | 6,960        | 6,600        |
|  | <u>6,960</u> | <u>6,600</u> |

### 4 Taxation on profit from ordinary activities

|  | 2015<br>£       | 2014<br>£     |
|--|-----------------|---------------|
| (i) Analysis of tax charge in year:                          |                 |               |
| Current tax:   |                 |               |
| UK corporation tax   | -               | -             |
| Adjustment in respect of prior years                         | (18,901)        | 15,692        |
|  | <u>(18,901)</u> | <u>15,692</u> |
| Total tax (credit)/charge                                    | <u>(18,901)</u> | <u>15,692</u> |
| (ii) Factors affecting the tax (credit)/charge for the year: |                 |               |
| Loss on ordinary activities multiplied by                    |                 |               |
| Standard rate of UK corporation tax of 21% (2014 - 23%)      | (29,902)        | (51,917)      |
| Expenses not deductible for tax purposes                     | -               | -             |
| Non-taxable income   | 5,045           | (1,450)       |
| Chargeable gains   | -               | 4,783         |
| Tax losses   | 24,857          | 48,584        |
| Adjustments in respect of prior years                        | (18,901)        | 15,692        |
|  | <u>(18,901)</u> | <u>15,692</u> |
| Current tax (credit)/charge for year                         | <u>(18,901)</u> | <u>15,692</u> |

# Longbell Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*Continued*)

## 5 Fixed asset investments

|                                | Associates<br>£ | Loans<br>£ | Shares<br>£ | Total<br>£  |
|--------------------------------|-----------------|------------|-------------|-------------|
| <i>Net book value</i>          |                 |            |             |             |
| At 1 April 2014                | 4,136,901       | 11,936,004 | 81,390      | 16,154,295  |
| Advances/additions             | -               | 4,110,750  | 2,984       | 4,113,734   |
| Repayments/disposals           | (2,210,524)     | (807,068)  | (205)       | (3,017,797) |
| Foreign currency retranslation | -               | (68,863)   | -           | (68,863)    |
| Impairment provision           | -               | -          | (5,600)     | (5,600)     |
| At 31 March 2015               | 1,926,377       | 15,170,823 | 78,569      | 17,175,769  |

Investments include loans and shares of £13,362,660 (2014: £9,997,659) to group undertakings and £3,813,109 (2014: £6,156,636) to other investments.

The principal trading subsidiary and associates undertakings at the balance sheet date were:

| Company                         | Country of<br>registration | Nature of<br>business | Shares held<br>Class | %      |
|---------------------------------|----------------------------|-----------------------|----------------------|--------|
| <b>Subsidiary undertakings:</b> |                            |                       |                      |        |
| <i>Directly held:</i>           |                            |                       |                      |        |
| Peakshare Limited               | England                    | Investment company    | Ordinary             | 79.82  |
| Joanbridge Limited              | England                    | Investment company    | Ordinary             | 79.82  |
| Moontrace Limited               | England                    | Property investment   | Ordinary             | 100.00 |
| Crestform (EU) Limited          | England                    | Property investment   | Ordinary             | 100.00 |
| Carillon Properties Limited     | England                    | Property investment   | Ordinary             | 100.00 |
| <i>Indirectly held:</i>         |                            |                       |                      |        |
| PCP New London Holdings LLC     | USA                        | Investment company    | LLC Contribution     | 72.5   |
| PCP New London LLC              | USA                        | Property investment   | LLC Contribution     | 72.5   |
| PCP San Souci Holdings LLC      | USA                        | Investment company    | LLC Contribution     | 72.5   |
| PCP San Souci LLC               | USA                        | Property investment   | LLC Contribution     | 72.5   |
| <b>Associates undertakings:</b> |                            |                       |                      |        |
| <i>Directly held:</i>           |                            |                       |                      |        |
| Khalsmith (Portfolio) Limited   | England                    | Property investment   | Ordinary             | 50.00  |
| Tedbell Limited                 | England                    | Property investment   | Ordinary             | 33.33  |
| Prista Holding SA               | BVI                        | Investment company    | Ordinary             | 25.00  |
| Edro Properties Limited         | England                    | Property investment   | Ordinary             | 50.00  |
| Khalsmith Developments Limited  | England                    | Property investment   | Ordinary             | 50.00  |
| Habag Investment Corp.          | BVI                        | Investment company    | Ordinary             | 50.00  |
| St Vincent Estates Limited      | England                    | Property investment   | Ordinary             | 33.33  |
| <i>Indirectly held:</i>         |                            |                       |                      |        |
| St Vincent Estates Limited      | England                    | Property investment   | Ordinary             | 11.11  |

# Longbell Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (Continued)

## 5 Fixed asset investments (continued)

|   | Aggregate share capital & reserves |           | Profit/(loss) for the year ended 31 March |           |
|---|------------------------------------|-----------|---|-----------|
|   | 2015                               | 2014      | 2015                                      | 2014      |
|   | £                                  | £         | £   | £         |
| Moontrace Limited   | 1,956,052                          | 844,008   | 1,112,044                                 | 444,981   |
| Crestform (EU) Limited                                      | 446,649                            | 294,748   | 151,901                                   | 225,275   |
| The reporting currency for these subsidiaries is US dollar. |                                    |           |   |           |
|   | \$                                 | \$        | \$  | \$        |
| Peakshare Limited   | (3,112,503)                        | (386,837) | (2,606,002)                               | (129,166) |
| Joanbridge Limited  | (3,202,167)                        | (43,876)  | (9,619)                                   | (6,967)   |
| PCP New London Holdings LLC                                 | 2,281,581                          | 5,603,361 | (507,587)                                 | 30,400    |
| PCP New London LLC  | 11,714,699                         | 5,073,664 | 6,641,035                                 | (84,372)  |
| PCP San Souci Holdings LLC                                  | 3,430,288                          | 3,437,499 | (7,211)                                   | (11,100)  |
| PCP San Souci LLC   | 2,864,085                          | 2,921,668 | (57,583)                                  | (48,191)  |

## 6 Debtors

|  | 2015             | 2014             |
|--|------------------|------------------|
|  | £                | £                |
| <b>Amounts due within one year:</b>          |                  |                  |
| Other debtors                                | 108,512          | 166,750          |
| Corporation tax recoverable                  | 124,184          | 30,164           |
| Prepayments and accrued income               | 92,156           | 85,645           |
|  | <u>324,852</u>   | <u>282,559</u>   |
| <b>Amounts due after more than one year:</b> |                  |                  |
| Other debtors                                | 5,206,533        | 6,310,630        |
|  | <u>5,531,385</u> | <u>6,593,189</u> |

## 7 Current asset investments

|                    | 2015             | 2014             |
|--------------------|------------------|------------------|
|                    | £                | £                |
| Listed investments | <u>2,250,052</u> | <u>2,290,317</u> |

The investments are listed on a recognised trading market and had a market value of £2,250,052 at the year end (2014 – £2,333,040).

# Longbell Limited

## Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

### 8 Creditors: amounts falling due within one year

|                                 | 2015<br>£     | 2014<br>£     |
|---------------------------------|---------------|---------------|
| Trade creditors                 | 29,088        | -             |
| Other creditors                 | 44,377        | 44,776        |
| Accruals and deferred income    | 11,253        | 6,800         |
| Other taxes and social security | 3,169         | 1,785         |
|                                 | <u>87,887</u> | <u>53,361</u> |

### 9 Creditors: amounts falling due after one year

|                                   | 2015<br>£         | 2014<br>£         |
|-----------------------------------|-------------------|-------------------|
| Amounts due to parent undertaking | 18,703,918        | 16,869,070        |
|                                   | <u>18,703,918</u> | <u>16,869,070</u> |

### 10 Share capital

|                                   | Authorised |            | Allotted, called up<br>and fully paid |            |
|-----------------------------------|------------|------------|---------------------------------------|------------|
|                                   | 2015<br>£  | 2014<br>£  | 2015<br>£                             | 2014<br>£  |
| 99 ordinary 'A' shares of £1 each | 99         | 99         | 99                                    | 99         |
| 1 ordinary 'B' share of £1        | 1          | 1          | 1                                     | 1          |
|                                   | <u>100</u> | <u>100</u> | <u>100</u>                            | <u>100</u> |

The ordinary 'B' share carries restricted voting rights, rights to dividends only in the event that the company's distributable profits in any one year exceed £100m, and entitles the holder to receive the amount paid up on such share in the event of liquidation of the company, but not otherwise to share in the surplus assets of the company.

### 11 Reserves

|                   | Profit<br>and loss<br>account<br>£ |
|-------------------|------------------------------------|
| At 1 April 2014   | 9,267,157                          |
| Loss for the year | (123,490)                          |
|                   | <u>9,143,667</u>                   |
| At 31 March 2015  | <u>9,143,667</u>                   |

# Longbell Limited

## Notes forming part of the financial statements for the year ended 31 March 2015 (Continued)

### 12 Reconciliation of movements in shareholders' funds

|                                     | 2015<br>£ | 2014<br>£   |
|-------------------------------------|-----------|-------------|
| Loss for the year                   | (123,490) | (2,009,848) |
| Net decrease to shareholders' funds | (123,490) | (2,009,848) |
| Opening shareholders' funds         | 9,267,257 | 11,277,105  |
| Closing shareholders' funds         | 9,143,767 | 9,267,257   |

### 13 Ultimate and intermediate parent companies

The company is controlled by Prime Commercial Properties Plc, its immediate parent company. The ultimate parent company is Prime Commercial Properties (Holdings) Limited, a company registered in England. Copies of the consolidated financial statements of Prime Commercial Properties (Holdings) Limited are available from Companies House.

### 14 Related party transactions

The company has used the exemption available under Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with wholly owned entities that are included in the consolidated financial statements of Prime Commercial Properties Plc and Prime Commercial Properties (Holdings) Limited.

Transactions with other related parties are summarised below:

|   | Amount due from<br>related parties |           |
|---|------------------------------------|-----------|
|   | 2015<br>£                          | 2014<br>£ |
| Loan to Peakshare Limited, a subsidiary:<br>Unsecured, 0% shareholder loan repayable on or before 1 April 2015<br>at Peakshare Limited's discretion. This has now expired and has been<br>kept rolling. | 3,397,464                          | 3,397,464 |
| Loan to Moveglade Limited a company of which Mr P Gubbay is a director  | 3,254,832                          | 3,460,000 |
| Interest receivable on loan to Moveglade Limited  | 108,979                            | 98,870    |
| Rent, Service charge, Rates and Electricity recharged by Moveglade Limited  | 140,267                            | -         |
| Loan to Ruthmere Properties Limited a company of which<br>Mr R Gubbay and Mrs E Gubbay are directors  | 1,380,000                          | 1,474,972 |
| Interest receivable on loan to Ruthmere Properties Limited  | 74,323                             | 76,276    |
| Loan to Robert Gubbay Settlement Trust, a shareholder of<br>the company's ultimate parent company   | 347,000                            | 347,000   |
| Loan to Mr C Gubbay, a family member of the directors   | 224,701                            | -         |
| Loan to Mr M Khalastchi, a family member of the directors   | -                                  | 286,024   |
| Loan to Mr D Khalastchi, a family member of the directors   | -                                  | 177,635   |

# Longbell Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*Continued*)

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## 15 Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its ultimate parent company.