

GARBER, HANNAM & PARTNERS LIMITED

Report and Audited Financial Statements

FOR THE YEAR ENDED 31 MARCH 2016

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GARBER, HANNAM & PARTNERS LIMITED

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GARBER, HANNAM & PARTNERS LIMITED

COMPANY INFORMATION

Directors	M R Garber D M Sukhanov
Company secretary	Thompson Taraz Secretaries Limited
Company number	04027711
Registered office	c/o Thompson Taraz LLP 4th Floor, Stanhope House 47 Park Lane London W1K 1PR
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

GARBER, HANNAM & PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Directors present their report and the audited financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the Company during the year was providing corporate advice for certain Russian, UK and Channel Islands, European and other clients. The Company disposed of its operations in Russia during the year and ceased to trade (see note 1 to the financial statements). The Directors are in the process of making a decision concerning the future of the Company.

Going concern

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Directors

The Directors who served during the year were:

M R Garber
D M Sukhanov

Statement of 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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. As explained in note 1.1 to the financial statements, the Directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis..

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.

GARBER, HANNAM AND PARTNERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The Director at the time when this Directors' report is approved has confirmed that:

- so far as that Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Companies Act 1985 & 2006

An elective resolution under section 379A of the Companies Act 1985 is in force dispensing with the requirement for the holding of annual general meetings, laying of accounts before shareholders at general meetings and the annual re-election of auditors. This elective resolution remains in force under the Companies Act 2006.

In preparing this Directors' report advantage has been taken of the small companies' exemption.

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



M R Garber
Director

Date: 29 December 2016

GARBER, HANNAM & PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARBER, HANNAM & PARTNERS LIMITED

We have audited the financial statements of Garber, Hannam & Partners Limited for the year ended 31 March 2016 which comprise the profit and loss account, the 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 the Financial Reporting Standard Applicable to Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.1 to the financial statements concerning the company's inability to continue as a going concern and the basis on which the financial statements have been prepared. As the Moscow office ceased trading during the year ended 31 December 2016 and the future of the company is unclear, the financial statements have not been prepared on a going concern basis.

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.

GARBER, HANNAM & PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARBER, HANNAM & PARTNERS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

BDO LLP

Vanessa-Jayne Bradley (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
London
United Kingdom

Date: *29 December 2016*

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

GARBER, HANNAM & PARTNERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £000	2015 £000
TURNOVER	1,2	1,430	3,270
Administrative expenses		<u>(1,556)</u>	<u>(3,324)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(126)	(54)
Tax on loss on ordinary activities	6	<u>(51)</u>	<u>(18)</u>
LOSS FOR THE FINANCIAL YEAR	13	<u>(177)</u>	<u>(72)</u>

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

GARBER, HANNAM & PARTNERS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2016**

	2016	2015
	£000	£000
LOSS FOR THE FINANCIAL YEAR	(177)	(72)
Foreign exchange reserve movement	<u>(22)</u>	<u>(116)</u>
TOTAL RECOGNISED GAINS AND LOSSES FOR THE FINANCIAL YEAR	<u>(199)</u>	<u>(188)</u>

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

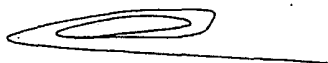
GARBER, HANNAM & PARTNERS LIMITED
REGISTERED NUMBER: 04027711

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£000	2016 £000	2015 £000
FIXED ASSETS				
Tangible assets	7		-	57
CURRENT ASSETS				
Debtors	9	31		558
Cash in hand and in bank		10		16
		<u>41</u>		<u>574</u>
CREDITORS: amounts falling due within one year	11	<u>(507)</u>		<u>(880)</u>
NET CURRENT LIABILITIES			<u>(466)</u>	<u>(306)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(466)</u>	<u>(249)</u>
PROVISIONS FOR LIABILITIES				
Deferred tax	10		-	(18)
NET LIABILITIES			<u>(466)</u>	<u>(267)</u>
CAPITAL AND RESERVES				
Called up share capital	12		750	750
Profit and loss account	13		<u>(1,216)</u>	<u>(1,017)</u>
SHAREHOLDERS' DEFICIT			<u>(466)</u>	<u>(267)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 29 December 2016



D M Sukhanov
Director

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

GARBER, HANNAM & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation

As described under principal activities on page 1, the Moscow operations ceased to trade during the year ended 31 December 2016 and the future of the Company is being determined by the Directors. As a result, the Directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. All receivables from related parties have been written off during the year and fixed asset were transferred to a related party. There is no impact on the remaining balances as a result of not applying the going concern basis or preparation.

1.2 Turnover

Turnover comprises fee income receivable for the provision of advisory services to Russian, UK and European corporate clients. Turnover is recognised on an accruals basis as the Company becomes contractually entitled to such income. Turnover is also receivable for the provision of rental property under operating leases and is recognised on an accruals basis as the Company becomes contractually entitled to such income.

1.3 Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

1.4 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets are taken to reserves and reported under profit and loss reserves movement. All other exchange differences are included in the profit and loss account.

1.5 Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life. Computer equipment including, where considered appropriate, cabling and infrastructure costs are being depreciated on a straight-line basis over two years. All other fixed assets including furniture, fixtures and fittings, motor vehicles and leasehold improvements are being depreciated on a straight-line basis over four years. The art work is not being depreciated.

1.6 Pensions

The pension cost recognised in the profit and loss account represents the contributions payable to defined contribution pension schemes.

1.7 Deferred taxation

Provision for deferred taxation is recognised on all timing differences between profits stated in the financial statements and profits as computed for tax purposes, where transactions or events that result in an obligation to pay more tax in the future on a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax is recognised at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

GARBER, HANNAM & PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.8 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be readily estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

1.9 Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

Management believe there are no significant accounting estimates and judgements affecting the financial statements.

1.10 Joint Ventures

An entity is treated as a joint venture where the company holds a long term interest and shares control under a contractual agreement. The interest in joint ventures is accounted for under investments, see note 8.

2. TURNOVER

45.0% of the Company's turnover (2015 - 61.0%) is attributable to geographical markets outside the United Kingdom.

GARBER, HANNAM & PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. OPERATING LOSS

The operating loss is stated after charging

	2016	2015
	£000	£000
Depreciation of tangible fixed assets:		
- Leased assets	14	29
- Owned assets	1	5
Auditors' remuneration	15	20
Pension costs	71	14
Operating lease charges - Land & Buildings	831	1,093
Auditors remuneration - non-audit services: accounts preparation	7	5
	<u> </u>	<u> </u>

4. OPERATING LEASE COMMITMENTS

Land and buildings

	2016	2015
	£000	£000
Within one year	865	1,119
In one to five years	-	1,286
	<u> </u>	<u> </u>
	865	2,405
	<u> </u>	<u> </u>

5. DIRECTORS' EMOLUMENTS

	2016	2015
	£000	£000
Aggregate remuneration	110	141
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 2 Directors (2015 - 2) in respect of defined contribution pension schemes.

GARBER, HANNAM & PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016 £000	2015 £000
Current tax:		
Overseas taxation	24	13
Deferred tax		
Origination and reversal of timing differences	42	5
Adjustments in respect of prior periods	(20)	-
Effect of tax rate change on opening balance	5	-
Total deferred tax (see note 10)	27	5
Current tax charge for the year	51	18

7. TANGIBLE FIXED ASSETS

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 April 2015	100	17	18	135
Additions	6	-	-	6
Disposals	(106)	(17)	(18)	(141)
At 31 March 2016	-	-	-	-
Depreciation				
At 1 April 2015	64	1	13	78
Charge for the year	14	-	1	15
Disposals	(78)	(1)	(14)	(93)
At 31 March 2016	-	-	-	-
Net book value				
At 31 March 2016	-	-	-	-
At 31 March 2015	36	16	5	57

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £000	2015 £000
Motor vehicles	-	36

GARBER, HANNAM & PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. INVESTMENTS

There is an interest in a joint venture of 51% in GHP Asset Management Holdings Limited. The principal activity of GHP Asset Management Holdings Limited is asset management. It is incorporated in Cyprus and its country of principal operations is Russia. In view of certain reserved matters in the shareholders agreement of GHP Asset Management Holdings Limited the results of the company are not consolidated.

9. DEBTORS

	2016	2015
	£000	£000
Trade debtors	-	76
Amounts due from related parties (note 15)	31	231
Other debtors	-	188
Other tax receivable	-	18
Deferred tax asset (see note 10)	-	45
	<hr/> 31 <hr/>	<hr/> 558 <hr/>

Amounts owed by group undertakings, being inter-company loans, are unsecured, interest free and have no fixed dates of repayment.

10. NET DEFERRED TAX ASSET

	2016	2015
	£000	£000
At 1 April	27	47
Net deferred tax asset charge in profit and loss account	(27)	(20)
	<hr/> - <hr/>	<hr/> 27 <hr/>

The net deferred tax asset is made up as follows:

	2016	2015
	£000	£000
Timing differences	<hr/> - <hr/>	<hr/> 27 <hr/>
comprising:		
Asset - due within one year	-	45
Liability	-	(18)
	<hr/> - <hr/>	<hr/> 27 <hr/>

GARBER, HANNAM & PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. CREDITORS - Amounts falling due within one year

	2016 £000	2015 £000
Finance lease creditor	-	13
Trade creditors	39	-
Amounts due to related parties (note 15)	431	431
Corporation tax	8	8
Other taxation and social security	-	20
Other creditors	29	408
	<u>507</u>	<u>880</u>

Amounts owed to group undertakings, being inter-company loans, are unsecured, interest free and have no fixed dates of repayment.

12. ORDINARY SHARE CAPITAL

	2016 £000	2015 £000
Authorised, allotted, called up and fully paid		
750,000 (2015: 750,000) Ordinary shares of £1 each	<u>750</u>	<u>750</u>

13. PROFIT AND LOSS ACCOUNT

	Profit and loss account £000
At 1 April 2015	(1,017)
Loss for the year	(177)
Foreign exchange reserve movement	(22)
	<u> </u>
At 31 March 2016	<u>(1,216)</u>

14. PENSION COMMITMENTS

During the year, the Company made total contributions of £71k (2015: £14k) to the Russian state pension scheme.

15. ULTIMATE PARENT UNDERTAKING

Adelua Holding Limited ("Adelua") and Kamsan Development Limited ("Kamsan") own equal numbers of ordinary and preference shares in the Company.

No consolidated group accounts are prepared as neither Adelua nor Kamsan are deemed to control the Company by reason of their equal shareholdings in the Company. The ultimate controlling party is Oleg Teodorovich.

GARBER, HANNAM & PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. RELATED PARTY TRANSACTIONS

The Company has an interest in a joint venture in GHP Asset Management Holdings Limited as per note 8. Consultancy services fees are provided to GHP Asset Management Holdings Limited as financial adviser to the Company with remuneration in relation to these services being agreed between the parties on a quarterly basis, depending on the services provided in the relevant quarter. The amount of consultancy services received during the year was £286k (2015: £441k).

On 15 November 2013 the company entered into a loan to GHP Asset Management Holdings Limited of £443k. The balance on this loan as at 31 March 2016 was £nil (2015: £443k). No interest was incurred on this loan.

The company has an indirect interest in GHP Russia Real Estate Advisers Limited (formerly FF&P Russia Real Estate Advisers Limited) through the interest in GHP Asset Management Holdings Limited. Consultancy services fees are provided to GHP Russia Real Estate Advisers Limited as financial adviser to the Company with remuneration in relation to these services being agreed between the parties on a quarterly basis, depending on the services provided in the relevant quarter. Total consultancy fees for the year were £792k (2015: £1,483k). The company also receives amounts loaned from GHP Russia Real Estate Advisers Limited and consultancy fees are also sometimes prepaid. At 31 March 2016 there was a loan balance due to GHP Russia Real Estate Advisers Limited of £431k (2015: £431k).

During the prior year, the Company provided consultancy services to FFAM Inc., a company registered in British Virgin Islands, however no services were provided during the current year. Total net amount due from FFAM Inc., at the year end was £31k (2015: £nil) due to assignment agreement.

During the year, the Company subleased premises to GHP Asset Management LLC for the total amount of £61k (2015: £271k) and to GHP Assets Administration LLC for the total amount of £nil (2015: £5k). The Company also sold fixed assets to LLC Garber, Hannam & Partners with a total book value of £42k for a selling price of £41k. As at the year-end accounts receivable balance was £nil (2015: £0.2k) and the advances received were £nil (2015: £10k).