

Registered Number: 4027711

GARBER, HANNAM & PARTNERS LIMITED

Report and Audited Financial Statements

For the year ended 31 March 2014

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Directors

M R Garber
D M Sukhanov

Secretary and registered office

Thompson Taraz Secretaries Limited, 35 Grosvenor Street, London, England, W1K 4QX

Company number

4027711

Auditors

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

Report of the directors for the year ended 31 March 2014

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2014.

Results

In the year under review, the Company recorded profit for the year £37k, (2013: loss of £54k) on turnover of £3,465k (2013: £3,673k). At 31 March 2014, the Company had net liabilities of £79k (2013: liabilities of £19k).

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 intends to continue to operate with this principal activity during the next financial year.

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

Directors of the company during the year were:

M R Garber
D M Sukhanov

In preparing this directors' report advantage has been taken of the small companies' exemption in accordance with the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 Company financial statements in accordance with UK GAAP. 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 year. In preparing these financial statements, the Directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and accounting estimates that are reasonable and prudent and
- o state whether applicable UK GAAP has been followed, subject to any material departures disclosed and explained in the financial statements.

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.

Each of the Directors confirms that, to the best of each person's knowledge and belief:

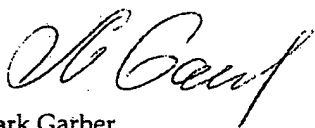
- o So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- o They have each taken all the steps that ought to have been taken by them as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- o Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing these financial statements.

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.

Approved by the Board of Directors and signed on its behalf by:



Mark Garber

Director

Date: 31 December 2014

Garber, Hannam & Partners Limited

Company Number 4027711

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 2014 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 April 2008) (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 2014 and of its profit 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.

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.

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

Date: 31 December 2014

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

Profit and Loss Account for the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Turnover	2	3,465	3,673
Administrative expenses		(3,339)	(3,709)
Operating profit/(loss)	3	126	(36)
Interest payable and similar charges		(9)	(31)
(Loss)/profit on ordinary activities before taxation		117	(67)
Tax (charge)/credit on profit/(loss) on ordinary activities	6	(80)	13
Profit/(loss) for the financial year		37	(54)

The above results are all attributable to continuing operations.

The notes on pages 9 to 15 form an integral part of these financial statements.

Statement of total recognised gains and losses

	2014 £'000	2013 £'000
Profit/(loss) for the financial year	37	(54)
Foreign exchange reserve movement	(97)	7
Total recognised gains and losses for the financial year	(60)	(47)

The notes on pages 9 to 15 form an integral part of these financial statements.

Garber, Hannam & Partners Limited

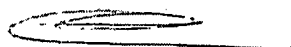
Balance Sheet at 31 March 2014

Company number: 4027711

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	7	118	180
Investments	8	-	-
		118	180
Current assets			
Debtors	9	742	930
Cash at bank and in hand		243	485
		985	1,415
Creditors – amounts falling due within one year	11	(1,152)	(1,541)
Net current liabilities		(167)	(126)
Total assets less current liabilities		(49)	54
Creditors – amounts falling due after more than one year	12	(30)	(73)
Net liabilities		(79)	(19)
Capital and reserves			
Called up share capital	13	750	750
Profit & loss account	14	(829)	(769)
Total shareholder's deficit	15	(79)	(19)

These financial statements have been prepared in accordance with the provisions of part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 6 to 15 were approved by the Board of Directors on 31 December 2014 and were signed on its behalf by:



D M Sukhanov
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2014.

1. Accounting policies

Basis of preparation - These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the provisions of part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going concern - The Company meets its day to day working capital requirements through its cash resources and with the support of loans.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and the shareholders have agreed to provide financial support as required to provide the company with adequate working capital. Accordingly, the directors continue to adopt the going concern basis in preparing the Directors' Report and the financial statements.

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.

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.

Finance lease - Assets under finance leasing agreements that give rights approximating to ownership are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant asset is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

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.

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. Accounting policies (*continued*)

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

Tangible fixed assets – Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Assets with a unit value of less than £1,000 have not been capitalised but have been written off directly to the profit and loss account.

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.

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.

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.

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

The Company's activities consist of advice to various Russian, UK and Channel Islands, European and other clients. A geographical segmental analysis of turnover is presented below:

	2014 £'000	2013 £'000
Turnover		
UK (and Channel Islands)	1,264	2,104
Europe	1,069	1,037
Other	1,132	532
	3,465	3,673

3. Operating (loss)/profit

	2014	2013
	£'000	£'000
Operating profit/(loss) is stated after charging/(crediting)		
Wages and salaries	1,486	1,804
Social security costs	238	264
Other pension costs (Note 16)	19	19
Other staff costs	33	-
Staff costs	1,765	2,087
Depreciation of tangible fixed assets		
Owned assets	18	6
Leased assets	31	21
Profit on disposal of fixed assets	-	(25)
Operating lease charges		
Land and buildings	1,008	885
Auditors' remuneration		
Audit services	20	19
Non-audit services: Tax services - compliance	2	2
Non-audit services: IXBRL	1	1
Non-audit services: Accounts preparation	5	4

4. Operating lease commitments

	2014	2013
	£'000	£'000
Land and buildings		
Within one year	-	-
In more than one year, but not more than five years	1,048	1,008
	1,048	1,008

5. Directors' emoluments

	2014	2013
	£'000	£'000
Aggregate emoluments	167	176
Company contributions to defined contribution pension scheme	19	19
	186	195

6. Tax on (loss)/profit on ordinary activities

	2014	2013
	£'000	£'000
Current tax:		
UK corporation tax on profit/(loss) of the year	-	-
Overseas taxation	16	26
Total current tax charge for the year	(16)	(26)
Origination and reversal of timing differences	(64)	39
Total deferred tax (Note 10)	(64)	39
Current tax (charge)/credit for the year	(80)	13

7. Tangible assets

	Motor vehicles £'000	Furniture, fixtures & fittings £'000	Computer equipment £'000	Total £'000
Cost or valuation				
At 1 April	185	17	21	223
Additions	-	21	-	21
Fully depreciated assets w/off	-	(7)	-	(7)
Exchange adjustments	(38)	(5)	(4)	(47)
At 31 March	147	26	17	190
Accumulated depreciation				
At 1 April	(23)	(7)	(13)	(43)
Charge for period	(44)	(1)	(4)	(49)
Fully depreciated assets w/off	-	7	-	7
Exchange adjustments	10	-	3	13
At 31 March	(57)	(1)	(14)	(72)
Net book value				
At 1 April 2013	162	10	8	180
At 31 March 2014	90	25	3	118

Total assets above include leased assets;

	Motor Vehicles £'000
Cost At 1 April	174
Exchange adjustments	(36)
31 March 2014	138
Depreciation at 1 April	(21)
Charge for the year	(31)
31 March 2014	(52)
Net Book value	
At 1 April	153
At 31 March	86

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

	2014	2013
	£'000	£'000
Trade debtors	30	120
Amounts due from related parties (Note 18)	372	379
Deferred tax (Note 10)	63	115
Other debtors	5	40
Other tax receivable	29	6
Prepayments and accrued income	243	270
	742	930

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

Contained within prepayments and accrued income is an amount of £224k (2013 - £235k) which is repayable after more than one year.

10. Deferred tax

	2014	2013
	£'000	£'000
Timing differences	63	115
Deferred tax asset (Note 9)	63	115
Timing differences	(16)	(4)
Deferred tax liability (Note 11)	(16)	(4)
At 1 April	111	72
Deferred tax asset charge in profit and loss account (Note 6)	(64)	39
31 March	47	111

11. Creditors – amounts falling due within one year

	2014	2013
	£'000	£'000
Deferred tax (Note 10)	16	4
Other creditors	207	148
Corporation tax payable	13	3
Other tax payable	41	2
Accruals and deferred income	267	487
Amounts due to related parties (Note 18)	581	431
Loan (Note 18)	-	434
Finance lease creditor	27	32
	1,152	1,541

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

12. Creditors – amounts falling due after one year

	2014	2013
	£'000	£'000
Finance lease creditor	30	73
	30	73

13. Ordinary share capital

	2014	2013
	£'000	£'000
Authorised		
750,000 (2013: 750,000) ordinary shares of £1 each	750	750
	750	750

Allotted and fully paid		
750,000 (2013:750,000) ordinary shares of £1 each	750	750
	750	750

Reconciliation of ordinary share capital

	£
At 1 April 2013, 750,000 Ordinary shares of £1 each	750,000
At 31 March 2014	750,000

14. Profit and loss account

	2014	2013
	£'000	£'000
At 1 April	(769)	(722)
Foreign exchange reserve movement	(97)	7
Profit/(loss) for the financial year	37	(54)
At 31 March	(829)	(769)

15. Reconciliation of movement in shareholders' deficit

	2014	2013
	£'000	£'000
Profit/(loss) for the financial year	37	(54)
Foreign exchange reserve movement	(97)	7
Issue of ordinary shares	-	695
Net change in shareholder's deficit	(60)	648
Opening shareholder's deficit	(19)	(667)
Closing shareholders' deficit	(79)	(19)

Analysis of shareholder's deficit

	2014	2013
	£'000	£'000
Non-equity – preference shares	-	-
Equity – ordinary shares	(79)	(19)
Closing shareholder's funds	(79)	(19)

16. Pension commitments

During the year, the Company made total contributions of £19k (2013: £19k) to the Russian state pension scheme.

17. Ultimate parent undertaking

On 15 May 2013 Fleming Family & Partners Limited sold its entire shareholding in the Company to Adelua Holding Limited ("Adelua") and Kamsan Development Limited ("Kamsan") with effect from 30 September 2011. Adelua and Kamsan are both incorporated in Cyprus (registered numbers C194162 and 211686 respectively) and both acquired 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.

18. 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 received during the year was £1,159k (2013: £1,135k).

At 31 March 2013 there was a loan of £434k from Fleming Family & Partners Limited and this was repaid on behalf of the company at its contractual date of 15 November 2013 by GHP Asset Management Holdings Limited. Interest had been charged by Fleming, Family & Partners Limited on the outstanding amount of this loan at 4% per annum with effect from 15 May 2012. The new loan granted on 15 November 2013 of £443k by GHP Asset Management Holdings Limited incurred no interest.

On 25 March 2014 the company entered into an offset agreement with GHP Asset Management Holdings Limited to offset the loan amount of £443k against amounts receivable. At 31 March 2014 the net amount receivable from GHP Asset Management Holdings Limited was £355k (2013: £372k).

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 £1,259k (2013: £1,807k). The company also receives amounts loaned from GHP Russia Real Estate Advisers Limited and consultancy fees are also sometimes prepaid. At 31 March 2014 there was a loan balance due to GHP Russia Real Estate Advisers Limited of £431,000 (2013: £431,000) and prepaid consultancy fees were due amounting to £150,000 (2013: £nil). These amounts are expected to be repaid during 2014/2015.

During the year, company also provided consultancy services to FFAM Inc., a company registered in British Virgin Islands. Total net amount due from FFAM Inc., at the yearend was £17k (2013: £nil).