

Registration number 5364223

BROADREACH ADVISORS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

WEDNESDAY



APL9Q2M7

A04

27/08/2008

216

COMPANIES HOUSE

BROADREACH ADVISORS LIMITED
CONTENTS PAGE

	Page
Company information	1
Directors' report	2 to 3
Independent auditors' report	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 12
The following pages do not form part of the statutory financial statements	
Detailed profit and loss account	13 to 15

BROADREACH ADVISORS LIMITED
COMPANY INFORMATION

Directors	Sir David Scholey Mr C G Malet de Carteret
Secretary	HWCA Limited
Registered number	5364223
Registered office	3rd Floor 7 - 10 Chandos Street London W1G 9DQ
Solicitors	CMS Cameron McKenna Mitre House 160 Aldersgate Street London EC1A 4DD
Bankers	Barclays Bank Plc 38 Hans Crescent London SW1X 0LZ
Auditors	Deloitte & Touche LLP London, United Kingdom

BROADREACH ADVISORS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activity

The principal activity of the company for the year under review was that of the provision of strategic business advice. In June 2007 the company ceased trading.

Directors

The directors who held office during the year were as follows:

- Sir David Scholey
- Sir Roger Hurn (resigned 11 June 2007)
- Mr C G Malet de Carteret (appointed 21 August 2007)

Auditors

The auditors, Deloitte & Touche LLP, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:


- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BROADREACH ADVISORS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

Small company provisions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the board and signed on its behalf by



Mr C G Malet de Carteret
Director

Date 24 June 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADREACH ADVISORS LIMITED

We have audited the financial statements of Broadreach Advisors Ltd for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Emphasis of matter

We draw your attention to note 1 to the financial statements which states that the financial statements have been prepared on the basis that the company is no longer a going concern as the company has ceased trading in June 2007. Our opinion is not qualified in this respect.

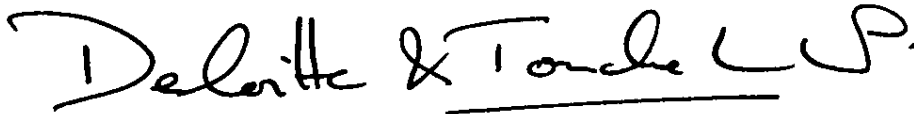
In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 1.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BROADREACH ADVISORS LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

Date 24 June 2008

BROADREACH ADVISORS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
Turnover	2	1,220,691	1,721,906
Administrative expenses		(1,109,719)	(1,565,369)
Operating profit	3	<u>110,972</u>	<u>156,537</u>
Other interest receivable and similar income		4,254	1,982
Profit on ordinary activities before taxation		<u>115,226</u>	<u>158,519</u>
Tax on profit on ordinary activities	5	(36,336)	(48,609)
Profit for the financial year	11	<u><u>78,890</u></u>	<u><u>109,910</u></u>

Turnover and operating profit derive wholly from operations discontinued during the year

The company has no recognised gains or losses for the current or prior year other than the results above. Therefore a separate Statement of Total Recognised Gains and Losses has not been shown.

BROADREACH ADVISORS LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2007**

		2007		2006	
	Note	£	£	£	£
Fixed assets					
Tangible assets	6		-		32,806
Current assets					
Debtors	7	250,261		136,240	
Cash at bank and in hand		114,752		186,948	
		<u>365,013</u>		<u>323,188</u>	
Creditors. Amounts falling due within one year	9	<u>(49,925)</u>		<u>(119,796)</u>	
Net current assets			<u>315,088</u>		<u>203,392</u>
Net assets			<u>315,088</u>		<u>236,198</u>
Capital and reserves					
Called up share capital	10		250,000		250,000
Profit and loss reserve	11		65,088		(13,802)
Equity shareholders' funds	12		<u>315,088</u>		<u>236,198</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, section 246(8)

Approved by the board on 24/6/08 and signed on its behalf by



Mr C G Malet de Carteret
Director

BROADREACH ADVISORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

The financial statements have not been prepared on a going concern basis as the management of the company decided to cease trading in June 2007

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Fixtures and fittings	20% straight line basis
Motor vehicle	20% straight line basis
Office equipment	20% straight line basis

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

2 Turnover

Turnover arises solely in the United Kingdom

BROADREACH ADVISORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

3 Operating profit

Operating profit is stated after charging

	2007 £	2006 £
Fees for the statutory audit	9,000	12,525
Foreign currency losses	-	107
Depreciation of owned tangible fixed assets	20,825	7,825
Staff pension contributions	28,766	23,552
Loss on sale of fixed assets	(1,818)	-
Operating lease costs (land and buildings)	<u>101,847</u>	<u>121,125</u>

4 Directors' emoluments

The directors' emoluments for the year are as follows

	2007 £	2006 £
Directors' emoluments (including benefits in kind)	<u>365,769</u>	<u>616,575</u>

The aggregate of emoluments of the highest paid director was £240,000 (2006 - £360,000)

5 Taxation

Analysis of current period tax charge

	2007 £	2006 £
Current tax		
Corporation tax charge	<u>35,879</u>	<u>35,311</u>
Deferred tax		
Deferred tax	<u>457</u>	<u>13,298</u>
Total tax on profit on ordinary activities	<u>36,336</u>	<u>48,609</u>

BROADREACH ADVISORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

6 Tangible fixed assets

	Fixtures and fittings £	Motor vehicle £	Office equipment £	Total £
Cost				
As at 1 January 2007	2,347	19,969	18,461	40,777
Disposals	(2,347)	(19,969)	(18,461)	(40,777)
As at 31 December 2007	-	-	-	-
Depreciation				
As at 1 January 2007	380	3,994	3,597	7,971
Eliminated on disposals	(2,347)	(7,988)	(18,461)	(28,796)
Charge for the year	1,967	3,994	14,864	20,825
As at 31 December 2007	-	-	-	-
Net book value				
As at 31 December 2007	-	-	-	-
As at 31 December 2006	1,967	15,975	14,864	32,806

7 Debtors

	2007 £	2006 £
Amounts owed by related party	244,771	75,079
Other debtors	5,490	31,041
Prepayments and accrued income	-	30,120
	<u>250,261</u>	<u>136,240</u>

Other debtors for 2006 includes £457 in respect of a deferred taxation asset (note 8)

8 Deferred tax

	2007 £	2006 £
Deferred tax asset as at 1 January	457	13,755
Deferred tax charge for year	(457)	(13,298)
Deferred tax asset as at 31 December	<u>-</u>	<u>457</u>

BROADREACH ADVISORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

9 Creditors Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	1,169	27,698
Corporation tax	28,464	18,311
Other taxation and social security costs	1,158	43,100
Other creditors	-	768
Director's current account	5,134	368
Accruals	14,000	29,551
	<u>49,925</u>	<u>119,796</u>

10 Share capital

	2007	2006
	£	£
Authorised		
Equity		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
Equity		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

11 Reserves

	Profit and loss reserve
	£
Balance at 1 January 2007	(13,802)
Transfer from profit and loss account for the year	<u>78,890</u>
Balance at 31 December 2007	<u>65,088</u>

BROADREACH ADVISORS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

12 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit attributable to members of the company	78,890	109,910
New share capital subscribed	-	249,999
Net addition to shareholders' funds	<u>78,890</u>	<u>359,909</u>
Opening equity shareholders' funds/(deficit)	236,198	(123,711)
Closing equity shareholders' funds	<u>315,088</u>	<u>236,198</u>

13 Controlling entity

The ultimate parent company is Sercial Limited which acts as a trustee for a settlement for the benefit of Sergey Popov and his family

14 Related party transactions

The company's total turnover for the year represents services to Sercial Limited, and the balance due from Sercial Limited at the balance sheet date is disclosed in note 7 as amounts due from related party (2006 - balance due from Sercial, note 7)