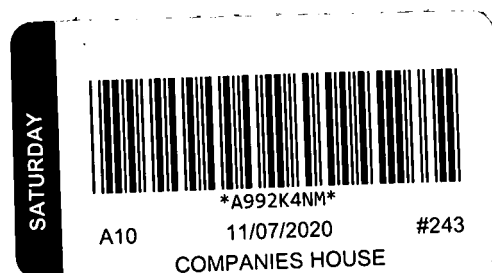


GOLDENBERG HEHMEYER LLP
REPORTS & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

Registered number: OC316522



GOLDENBERG HEHMEYER LLP

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS

Page:

1	Strategic report
2	Members' report
5	Independent auditor's report
8	Income statement
9	Balance sheet
10	Statement of changes in equity
11	Statement of cash flows
12	Accounting policies
15	Notes forming part of the financial statements

DESIGNATED MEMBERS

Said Kaba Marrash
GH Partner Ltd

REGISTERED OFFICE

5th Floor
5 Greenwich View Place
London
E14 9NN

REGISTERED NUMBER

OC316522

AUDITORS

BDO LLP
150 Aldersgate Street
London
EC1A 4AB

BANKERS

Royal Bank of Scotland
6th Floor
1 Princes Street
London
EC2R 8BP

GOLDENBERG HEHMEYER LLP

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Business Review and Future Developments

2019 was an interesting year as the firm had another change in ownership within 12 months of the last changeover when Ralph Goldenberg retired at the start of the year. Stephen Jordan, the Director of S J Consultancy (GB) Ltd, whose company was a member of the LLP decided to retire from the firm in December after 10 years of service.

The marketmaking contracts continued to be the bread and butter of the firm. They produced consistent and reliable revenue from year on year, and 2019 was no exception. On the other hand, the proprietary trading desk made a positive contribution to the turnover, and brought in 50% more revenue compared to 2018.

The LLP will continue its journey under the direction of Dan Izzo and Stefan Kaba-Ferreiro. The pair will focus on bringing technology to the forefront of the business, and hiring high quality people in software development. They have ambitious plans to expand to the USA, and much work has already begun in renewing the current infrastructure and technology.

Key Performance Indicators (KPIs)

The KPIs used by the Members to monitor the performance of the business are as follows:

Margin requirement – we monitor the margin on a daily basis and try to maintain a level which is no more than 75% of Net Liquidating Value.

Gross desk profit and loss – we monitor the day on day gross profit and loss. Any deviation that is \pm \$200k is flagged and investigated.

Principal Risks and Uncertainties

Information on the principal risks and uncertainties is included in note 13 to the financial statements.

By order of the Board



Stefan Kaba-Ferreiro

on behalf of

GH Partner Ltd

Designated Member

23 June 2020

GOLDENBERG HEHMEYER LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Registered number OC316522

The members are pleased to present their report and the audited financial statements of Goldenberg Hehmeier LLP ("the LLP") for the year ended 31 December 2019.

Principal activities

The principal activity of the LLP is to carry on the business of trading on its own account in financial instruments admitted to trading on UK, US and European equity and derivative exchanges such as LSE, Six Swiss, Deutsche Bourse, Borsa Italiana, Euronext and NYSE. The trades are principally cleared through ABN AMRO and Sova Capital.

Review of the business and future developments

The review of the business and future developments is set out in the Strategic Report on page 1.

Going concern and Covid-19

The members were of the view that the LLP was in a strong financial position prior to Covid-19 pandemic situation. Despite the challenges faced by many globally, the LLP is able to perform exceptionally well during the pandemic, as evinced by strong Q1 results. The LLP's Business Continuity Plan was put in place to allow employees to continue to work under the Working From Home arrangement. From the trading activity perspective, the market volatility in March created opportunity for the LLP to increase its presence and in turn increase the turnover. As such, the LLP is confident that it can capitalise on the current situation to continue to perform above the market.

Members' drawings and subscription and repayment of members' capital

The LLP's Amended and Restated Deed dated 17 December 2018 governed the policy for members' drawings, subscriptions and repayment of capital for period between 1 January 2019 and 16 December 2019.

The LLP's Amended and Restated Deed dated 16 December 2019 governs the policy for members' drawings, subscriptions and repayment of capital from 16 December 2019.

Members contribute an initial capital amount on admission as a member. Any further capital contributions are made in accordance with the deed.

Each of the members shall be entitled to draw such sums as set out in the deed or as determined by the Management Committee from time to time.

All amounts drawn are subject to cash being available and the working capital requirements of the business.

In relation to profits, for each accounting period, a fixed profit shall first be allocated to the Members, and the balance of the profits shall then be allocated to the Members in accordance with their Profit Share Percentages.

On retirement, capital is repaid to members provided that either such payments would not cause the LLP to have aggregate capital contributions of less than the regulatory capital requirement or one or

GOLDENBERG HEHMEYER LLP

MEMBERS' REPORT - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

more other members immediately contributes further capital in an aggregate amount equal to or greater than the shortfall.

Pillar 3 disclosure

Information about our capital adequacy, risk assessment, control processes and remuneration policy is available on request through our website at www.ghco.co.uk.

Members' drawings and the subscription and repayment of members' capital

The members' drawings in the year amounted to £Nil (2018: £258,135).

The members' contribution in the year amounted to £4,228,114 (2018: £204,727).

The members' repayment of capital in the year amounted to £6,257,860 (2018: £3,374,768).

Designated members

The following designated members held office during the year to 31 December 2019:

GH Partner Ltd	Appointed 1 January 2019
Said Kaba Marrash	Appointed 1 January 2019
GHCO Partners LLC	Resigned 2 January 2019
S J Consultancy (GB) Ltd	Resigned 16 December 2019

Disclosure of information to the auditors


All of the members as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The members are not aware of any relevant audit information of which the LLP's auditor is unaware.

Auditors

BDO LLP, has indicated its willingness to continue in office.

Approval

This Members' Report was approved by order of the members.



Stefan Kaba-Ferreiro

on behalf of

GH Partner Ltd

Designated Member

23 June 2020

GOLDENBERG HEHMEYER LLP

MEMBERS' REPORT - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

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

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The members are responsible for the maintenance and integrity of the corporate and financial information included on the Limited Liabilities Partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. These responsibilities are exercised by the designated members on behalf of the members.

GOLDENBERG HEHMEYER LLP

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GOLDENBERG HEHMEYER LLP

Opinion

We have audited the financial statements of Goldenberg Hehmeyer LLP ("the Limited Liability Partnership") for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Limited Liability Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

GOLDENBERG HEHMEYER LLP

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GOLDENBERG HEHMEYER LLP

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Members' responsibilities statement, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Limited Liability Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters

GOLDENBERG HEHMEYER LLP

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GOLDENBERG
HEHMEYER LLP**

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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the

BDO LLP

Neil Fung-On (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
23 June 2020

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

GOLDENBERG HEHMEYER LLP**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	1	6,463,444	5,648,945
Operating expenses		(5,454,962)	(7,063,526)
Operating profit/(loss)	2	1,008,482	(1,414,581)
Profit/(Loss) for the financial year before members' remuneration and profit shares		1,008,482	(1,414,581)
Members' remuneration charged as an expense	9	-	(69,833)
Gain on fixed asset investments	6	-	2,238,338
Profit for the financial year available for discretionary division among members	9	1,008,482	753,924

The notes on pages 12 to 23 form part of these financial statements.

GOLDENBERG HEHMEYER LLP**BALANCE SHEET AS AT 31 DECEMBER 2019**

Registration No: OC316522

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	5	108,813	177,028
Investments	6	-	8,451,866
		<u>108,813</u>	<u>8,628,894</u>
Current Assets			
Debtors	7	658,014	7,611,892
Cash and cash equivalents at bank and brokers	13	4,982,262	9,751,058
		<u>5,640,276</u>	<u>17,362,950</u>
Creditors: amounts falling due within one year	8	(1,235,069)	(4,083,247)
Net current assets		<u>4,405,207</u>	<u>13,279,703</u>
Net assets		<u>4,514,020</u>	<u>21,908,597</u>
Represented by:			
Loans & amounts due to members within one year			
Loans & amounts due (from)/to members & related parties	9	-	(55,167)
		-	<u>(55,167)</u>
Equity			
Members' capital	9	4,178,339	6,208,085
Members' other interests – other reserves	9	335,681	15,755,679
		<u>4,514,020</u>	<u>21,908,597</u>
Total members' interests			
Loans & other debts due to members & related parties	9	-	(55,167)
Equity	9	4,514,020	21,963,764
		<u>4,514,020</u>	<u>21,908,597</u>

The financial statements on pages 8 to 23 were approved by the members and authorised for issue on 23 June 2020 and are signed on their behalf by:



Stefan Kaba-Ferreiro

on behalf of

GH Partner Ltd

Designated Member

The notes on pages 12 to 23 form part of these financial statements.

GOLDENBERG HEHMEYER LLP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Members' capital classified as equity	Other reserves	Equity attributable to the members (Total)
	£	£	£
At 1 January 2019	6,208,085	15,755,679	21,963,764
Comprehensive income for the year			
Profit for the year	-	1,008,482	1,008,482
Total comprehensive income for the year	<u>-</u>	<u>1,008,482</u>	<u>1,008,482</u>
Contributions by and distributions to members			
Capital introduced	4,228,114	-	4,228,114
Capital repaid	(6,257,860)	-	(6,257,860)
Allocation of profits	-	(16,428,480)	(16,428,480)
Total contributions by and distributions to members	<u>(2,029,746)</u>	<u>(16,428,480)</u>	<u>(18,458,226)</u>
At 31 December 2019	<u><u>4,178,339</u></u>	<u><u>335,681</u></u>	<u><u>4,514,020</u></u>
At 1 January 2018	9,378,126	15,001,755	24,379,881
Comprehensive income for the year			
Profit for the year	-	753,924	753,924
Total comprehensive income for the year	<u>-</u>	<u>753,924</u>	<u>753,924</u>
Contributions by and distributions to members			
Capital introduced	204,727	-	204,727
Capital repaid	(3,374,768)	-	(3,374,768)
Allocation of profits	-	-	-
Total contributions by and distributions to members	<u>(3,170,041)</u>	<u>-</u>	<u>(3,170,041)</u>
At 31 December 2018	<u><u>6,208,085</u></u>	<u><u>15,755,679</u></u>	<u><u>21,963,764</u></u>

The notes on pages 12 to 23 form part of these financial statements.

GOLDENBERG HEHMEYER LLP**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit/(Loss) for the financial year before member's remuneration and profit shares		1,008,482	(1,414,581)
Adjustments for:			
Depreciation of fixed assets	5	68,215	65,714
Decrease/(increase) in trade and other debtors		717,672	(535,522)
(Decrease)/increase in creditors		(2,793,011)	3,332,020
Foreign exchange losses		879,998	2,247,448
		(118,645)	3,695,079
Cash from operations			
Members' drawings in relation to remuneration	9	-	(258,135)
Net cash generated from operating activities		(118,645)	3,436,944
Cash flows from investing activities			
Purchases of tangible fixed assets	5	-	(140,404)
Net cash from/(used in) investing activities		-	(140,404)
Cash flows from financing activities			
Capital introduced by members	9	4,228,114	204,727
Allocation of profits	9	(1,740,408)	-
Capital repaid to members	9	(6,257,860)	(3,374,768)
Net cash used in financing activities		(3,770,154)	(3,170,041)
Net (decrease)/increase in cash and cash equivalents		(3,888,798)	126,499
Cash and cash equivalents at the beginning of the year		9,751,058	11,872,007
Foreign exchange losses		(879,998)	(2,247,448)
Cash and cash equivalents at end of the year		4,982,262	9,751,058
Cash and cash equivalents comprise:			
Cash at bank		211,132	3,226,062
Cash at brokers		4,771,130	6,524,996
		4,982,262	9,751,058

The notes on pages 12 to 23 form part of these financial statements.

ACCOUNTING POLICIES

Basis of accounting

Goldenberg Hehmeyer LLP is a Limited Liability Partnership incorporated in the England and Wales under the Companies Act. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2017), 'Accounting by Limited Liability Partnerships'.

The financial statements have been prepared on the going concern basis which are based on forecast activities that there are sufficient resources in the LLP to meet its liabilities as and when they fall due.

Going Concern

The members of the LLP prepared the financial statements on a going concern basis after assessing the principal risks – financial, operational and market conditions:

Financial – The LLP has contractual agreements to provide liquidity in the market. This provides regular and reliable income for the LLP to operate.

Operational – The LLP continuously invests in technology to boost its infrastructure so that it can continue to advance in the market making space.

Market conditions – The LLP is well-prepared to react to market conditions by keeping its trading risks and size of trading book as small as possible. The LLP does not take any directional risks.

In conclusion, the LLP can operate and settle its liabilities in the next 12 months.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described below, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The members of the LLP were not required to make any material judgements, estimates and assumptions in this accounting period.

Turnover and revenue recognition

Turnover represents the profit and loss derived from derivative trading activities. Transactions in derivative financial instruments are recorded on the trade date.

Trading related costs and VAT

Direct expenses are incurred in the execution and clearing of trading related transactions.

The LLP is registered for VAT under the reverse charge mechanism, and as a result, where relevant, expenses are shown inclusive of VAT.

Foreign currencies

GOLDENBERG HEHMEYER LLP

ACCOUNTING POLICIES

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the ruling rate at that date. All exchange differences are dealt with in the profit and loss account. These financial statements are presented in sterling as this is the currency of the primary economic environment in which the LLP operates.

Retirement benefits

The LLP automatically enrolls all eligible employees into a Qualifying Workplace Pension Scheme (QWPS) under the Pensions Act 2008. The LLP meets the minimum contribution for each eligible employee per the Act's guidelines.

All expenses are recognised in the profit and loss account as they fall due.

Pension contributions and post retirement payments to members

The LLP does not provide post-retirement payments to members.

Members' remuneration

Profits attributable to members are determined, allocated and divided between members in accordance with their individual letters of entitlement or as determined by the management committee from time to time. Amounts allocated in accordance with individual letters of entitlement are shown within 'members' remuneration charged as an expense. Profit allocations determined by the management committee are allocated at the date of the approval by the management committee. Unallocated profits are shown within members other interests.

Taxation

Taxation (whether current or deferred) to be paid on members' remuneration is a personal liability of the members and, as such, there are no tax provisions in the financial statements.

Investments

Long term investments are classified as fixed assets and are measured at fair value at year end based on quoted bid prices at the reporting date. Gains or losses on fair value are recognised in the profit or loss account.

Tangible fixed assets

Tangible fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Office & Computer Equipment	3-5 years
Office Fixtures & Fittings	7 years
Computer Software	3 years
Leasehold Improvements	Remaining Lease Term

The useful lives and residual values of the tangible fixed assets are reassessed on an annual basis.

ACCOUNTING POLICIES

Financial assets and liabilities

All financial assets and liabilities are recorded on the trade date, being the date on which the LLP becomes party to the contractual requirements of the financial asset or liability.

Financial assets and liabilities are only offset and the net amount reported in the balance sheet and profit and loss account when there is a currently enforceable legal right to offset the recognised amounts and the LLP intends to settle on a net basis or realise the asset and liability simultaneously.

The LLP classifies its financial assets and liabilities into one of the following categories depending on the purpose for which they were acquired:

Fair value through profit and loss: The LLP classifies its current and fixed assets investments and positions held at brokers held for trading at fair value through profit and loss with changes in fair value being recognised in the LLP's profit and loss account as turnover.

A financial asset is classed as held for trading if it is acquired for the purpose of achieving short term speculative gains. All derivatives are classed as held for trading as the LLP does not account for these as hedging instruments.

The fair value of financial assets and liabilities that are quoted in an active market is determined by reference to the official exchange or clearing house settlement prices at the close of business at the reporting date.

For financial assets and liabilities that do not have official exchange settlement prices, such as current contracts, the fair value is determined by reference to third party market values at the reporting date. Independent brokers value all underlying positions held and this net value is shown as positions and cash balances with brokers.

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors, other debtors and cash at bank), but also incorporate other types of contractual arrangements.

Cash and cash equivalents at bank and brokers: Included with this heading on the balance sheet is cash balances with banks of £211,132 (2018: £3,226,062) and cash balances with regulated clearing brokers of £4,771,130 (2018: £6,524,996).

Lease assets and obligations

All leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

GOLDENBERG HEHMEYER LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Turnover

The LLP's turnover is derived from its principal activity and foreign exchange gains and losses related to that activity, which includes interest receivable and similar income and interest payable and similar charges. All turnover is derived from the United Kingdom.

2. Operating profit

	2019	2018
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation:		
- Charge for the year:		
Owned assets	68,215	65,714
Auditors' remuneration		
- As auditors pursuant to legislation	27,675	22,038
- For tax compliance services	7,944	7,431
- Other tax services	-	18,450
Foreign exchange losses	879,998	2,247,448
Operating lease rentals		
- Land and buildings	58,123	117,081
	<hr/>	<hr/>

All of the expenses above, with the exception of Auditor's remuneration, include irrecoverable VAT, where applicable. For the Auditor's remuneration the irrecoverable VAT amounted to £5,535 (2018: £4,407) for audit services, £1,589 (2018: £1,487) for tax compliance services, and £Nil (2018: £3,690) for other tax services.

3. Employees

	2019	2018
The average number of persons employed by the LLP during year was:		
Trading Staff	7	8
Administrative Staff	13	14
	<hr/>	<hr/>
	20	22
	<hr/>	<hr/>

	2019	2018
	£	£
Staff costs for the above persons:		
Wages and salaries	1,183,180	1,631,973
Social security costs	130,985	198,026
Employer's pension contribution	35,972	27,761
	<hr/>	<hr/>
	1,350,137	1,857,760
	<hr/>	<hr/>

GOLDENBERG HEHMEYER LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Members' remuneration

	2019	2018
Average number of Members	3	2
Profit attributable to member with highest entitlement to profit	<u>656,782</u>	<u>69,833</u>

5. Fixed assets – Tangible

	Furniture & Fittings	Office, & Computer Equipment & Software	Leasehold Improvements	Total
	£	£	£	£
Cost				
1 January 2019	5,495	350,284	133,385	489,164
Additions	-	-	-	-
31 December 2019	<u>5,495</u>	<u>350,284</u>	<u>133,385</u>	<u>489,164</u>
Depreciation				
1 January 2019	3,827	249,026	59,283	312,136
Charged in the year	785	52,074	15,356	68,215
31 December 2019	<u>4,612</u>	<u>301,100</u>	<u>74,639</u>	<u>380,351</u>
Net book value				
31 December 2019	<u>883</u>	<u>49,184</u>	<u>58,746</u>	<u>108,813</u>
Net book value				
31 December 2018	<u>1,668</u>	<u>101,258</u>	<u>74,102</u>	<u>177,028</u>

6. Fixed assets - Investments

The shares were transferred on 3 January 2019 to one of the members on the retirement from the LLP in lieu of cash payment of profits.

	Listed shares
	£
Net book value	
As at 31 January 2019	<u>-</u>
Net book value	
As at 31 January 2018	<u>8,451,866</u>

GOLDENBERG HEHMEYER LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Debtors

	2019	2018
	£	£
Due within one year:		
Amounts due from related parties	-	6,237,856
Prepayments and accrued income	249,892	341,423
Other debtors	408,122	1,032,613
	658,014	7,611,892

8. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	107,628	66,230
Accruals and deferred income	311,749	842,404
Other creditors	707,934	3,111,265
VAT payable	63,259	21,751
Other taxes and social security	44,499	41,597
	1,235,069	4,083,247

GOLDENBERG HEHMEYER LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Reconciliation of members' interests

	EQUITY			DEBT		TOTAL MEMBERS' INTEREST
	Members' Capital	Other Reserves	Total	Loans and other debts due to members less any amounts due from members in debtors	Total	
	£	£	£	£	£	£
Amounts due to members	6,208,085	15,755,679	21,963,764	(55,167)	(55,167)	21,908,597
Amounts due from members	-	-	-	-	-	-
	6,208,085	15,755,679	21,963,764	(55,167)	(55,167)	21,908,597
Balance at 31 December 2018	6,208,085	15,755,679	21,963,764	(55,167)	(55,167)	21,908,597
Loss for 2018 available for division among previous members	-	(25,092)	(25,092)	-	-	(25,092)
Profit for the year available for division among members	-	1,033,574	1,033,574	-	-	1,033,574
Members' interests after the profit for the year	6,208,085	16,764,161	22,972,246	(55,167)	(55,167)	22,917,079
Other divisions of profit	-	25,092	(25,092)	55,167	55,167	80,259
Allocation of profits	-	(16,453,572)	(16,453,572)	-	-	(16,453,572)
Capital introduced/ (repaid) by members	(2,029,746)	-	(2,029,746)	-	-	(2,029,746)
Amounts due to members	4,178,339	335,681	4,514,020	-	-	4,514,020
Amounts due from members	-	-	-	-	-	-
	4,178,339	335,681	4,514,020	-	-	4,514,020
Balance at 31 December 2019	4,178,339	335,681	4,514,020	-	-	4,514,020

Loans and other debts due to members rank pari passu with other unsecured creditors. The terms of members' capital are set out in the members' report.

GOLDENBERG HEHMEYER LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Commitments under operating leases

	2019	2018
	£	£
As at 31 December 2019 the LLP has total future minimum lease payments under non-cancellable operating leases as follows:		
Land and buildings		
Not later than 1 year	64,581	64,584
Between in 2-5 years	158,710	223,291
	<hr/>	<hr/>

11. Controlling party

Said Kaba Marrash has 100% of the voting rights in the LLP and is considered to be the ultimate controlling party.

12. Related party disclosures

The following transactions took place between the LLP and its related entities during the year:

	2019	2018
	£	£
Net short-term loan movements advances to a company under common control	-	15,445
	<hr/>	<hr/>

The following receivable and payable balances relating to a company under common control and an individual were included in the balance sheet:

	2019	2018
	£	£
Short-term loans - receivable	-	6,237,856
	<hr/>	<hr/>

There was no short-term loan in 2019 (2018: £6,237,856) due from a related party under common control.

Key management personnel include all designated corporate members and the associated individuals who together have authority and responsibility for planning, directing and controlling the activities of the LLP. The total compensation paid to key management personnel for services provided was £837,646 (2018: £69,833).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Financial Risk Management

Financial assets held at fair value comprise:

	2019	2018
	£	£
Fixed asset investments – available for sale financial assets	-	8,451,866

Financial assets classified as loans and receivables held at amortised cost comprise:

	2019	2018
	£	£
Amounts due from related parties	-	6,237,856
Other debtors due within one year	408,122	1,032,613
Other debtors due in more than one year	-	-
Cash and cash equivalents at bank and brokers	4,982,262	9,751,058
	5,390,384	17,021,527

Other financial liabilities are measured at amortised cost and comprise of:

	2019	2018
	£	£
Trade creditors	107,628	66,230
Other creditors	707,934	3,111,265
VAT payable	63,259	21,751
Other taxes and social security	44,499	41,597
	923,320	3,240,843

The financial liabilities above have a maturity of less than 60 days.

At 31 December 2019 and 31 December 2018 the carrying values of financial assets and liabilities were not materially different to their fair values. Financial assets and liabilities are carried at fair value defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices above that are observable for the asset or liability.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

At 31 December 2019 and at 31 December 2018, all financial assets and liabilities carried at fair value were valued using Level 1 quoted prices valuation techniques.

	2019	2018
	£'000	£'000
Financial instruments held for trading (long)	42,441	181,119
Financial instruments held for trading (short)	(36,528)	(157,272)
Cash	(931)	(14,096)
	4,982	9,751

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Financial Risk Management - continued

The Risk Management Framework

The LLP has a risk management objective to develop systems and controls to mitigate risk to within its risk appetite, which is in line with the overall business strategy. The risk management objective is set and reviewed regularly to ensure that it is adequate for the size and the complexity of the business.

The LLP also fosters a culture where all staff are owners, and have a sense of involvement and responsibility. The LLP has reasonable expectations from its staff to observe rules and procedures, as well as to have an understanding of the value of compliance. The LLP also provides appropriate training to its staff from time to time to support these ethos.

The Management Committee is responsible for the day to day management of the LLP. The Senior Management team is responsible for ensuring that the LLP has in place a suitably robust Risk Management Framework in order to ensure that risks are adequately identified, assessed and mitigated. Exposure is monitored against the approved risk appetite on an ongoing basis through the risk reporting and escalation process. The review and assessment of risk appetite is updated on at least an annual basis.

The LLP does not have an internal audit function. The LLP's in-house compliance function undertakes tests of an internal audit nature in its compliance monitoring programme.

Liquidity risk

Liquidity risk is the risk that the LLP will be unable to meet financial commitments arising from its business activities. Principally given the nature of the LLPs business this means it will be unable to answer a margin call. This risk is monitored on a daily basis by comparing the LLP's net liquidating value (the total value of all its cash and cash equivalents) with the margin requirements set by its bankers.

	NLV £'000	Margin Requirement £'000	Cover %
At 31 December 2019	4,982	717	665%
At 31 December 2018	18,203	7,540	199%

This check against third parties figures is considered to be the control of prime importance to the LLP, but from a regulatory perspective the risk is divided into market risk, credit risk and operational risk requirements and the cover the LLP has of those three risk requirements.

Market risk

Market risk is the risk that arises from fluctuations in the values of assets held within the LLP's trading book, which comprises of three parts – equity position risk, interest risk and currency risk. The LLP's trading book activities are long and short positions in Financial Futures, Exchange Traded Funds and Currency. Risk is mitigated by keeping a balanced portfolio (i.e. market neutral trading book) where long and short positions are hedged against other long and short positions in equivalent (but not necessarily identical) futures, ETFs and currency balances such that any move

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Financial Risk Management - continued

in equities, interest rates, and currencies should have insignificant impact (positive or negative) on the profit and loss account. As a result, a sensitivity analysis has not been performed.

Credit risk

Credit risk is the risk of a financial loss from a counterparty's failure to settle financial obligations as they fall due. The LLP's FCA authorisation only permits the LLP to act for Eligible Counterparties and financial due diligence is undertaken as part of the new counterparty approval process. The LLP does not make use of external credit ratings in deciding whether to take on a new counterparty. Credit risk is mitigated by trading on a cash against delivery basis and on normal settlement terms directly with our regulated clearing brokers.

Counterparty risk within the trading books is monitored daily. Settlement risk is mitigated as a result of the delivery versus payment mechanism whereby if a counterparty fails to make payment, the stock is not delivered and vice versa. In such circumstances the risk is akin to market risk whereby for a debtor, as long as the market price of the stock has not fallen, and for a creditor, as long as the market price has not risen, no loss is incurred. Risk exposure in relation to cash and cash equivalents is mitigated by using a number of regulated clearing brokers and banks with strong credit ratings.

The following table discloses the maximum credit exposure on assets:

	Debtors (Note 7)	Cash and cash equivalents	Fixed Assets	Total
	£'000	£'000	£'000	£'000
At 31 December 2019	658	4,982	109	5,749
At 31 December 2018	7,611	9,751	8,629	25,991

At 31 December 2019 none of the total current financial assets of £5,749,089 were past their due date (2018: none out of £25,991,844). No impairment provision has been made against the recoverability of any assets.

Operational Risk

Operational risk is associated with the losses arising from inadequate or failed internal processes, personnel, systems or external events. The IT infrastructure and Human Resources risks are considered of prime importance for the Firm. Processes are put in place to ensure the LLP's exposure to these risks are appropriately considered and mitigated.

Capital Resources

To meet the Capital Adequacy Resources Requirement, the LLP is required to hold the greater of the base capital requirement of €730,000; or the sum of the credit and market risks based on a risk weighted balance sheet, and the operational risk requirement.

The Capital Adequacy Resources is calculated in accordance with Article 26 of CRD IV, which is

GOLDENBERG HEHMEYER LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. Financial Risk Management - continued

the Common Equity Tier 1 items. The items included in this calculation are the members' capital and retained earnings minus certain deductions. Article 46 of CRD IV requires the LLP to deduct instruments of financial sector entities where the firm does not have a significant investment from its Tier 1 capital.

The LLP carries out its Internal Capital Adequacy Assessment Process (ICAAP) at least once annually to ensure that it remains in excess of its minimum capital requirement under the CRD IV.

14. Country by country reporting

The disclosures set out in the table are required by The Capital Requirements (Country by Country Reporting) Regulations 2013. The requirements originate from Article 89 of CRD IV.

Country	Entity established	Description of activity	Turnover £'000	Profit (or loss) before tax £'000	Number of employees
UK	Goldenberg Hehmeyer LLP	Trading on its own account in financial instruments	6,463	1,008	20

The LLP is not liable for any taxation as this is the responsibility of each members, as such, no tax provisions are made in the financial statements. The LLP did not receive any public subsidies during the year.

15. Events after the reporting period

The Covid-19 pandemic that the world is currently experiencing has had a significant impact on the economy. To this end, the LLP gave its view on the situation in the Members' Report.

Going concern disclosure can be found in the Basis of Accounting section.