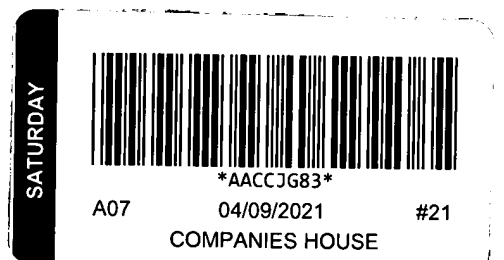


**GOLDENBERG HEHMEYER LLP**  
**REPORTS & FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**Registered number: OC316522**



# **GOLDENBERG HEHMEYER LLP**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **CONTENTS**

#### **Page:**

|    |  |
|----|--|
| 1  | Members' report                                |
| 4  | Members' responsibilities                      |
| 5  | Independent auditor's report                   |
| 9  | Income statement                               |
| 10 | Balance sheet                                  |
| 11 | Statement of changes in equity                 |
| 12 | Statement of cash flows                        |
| 13 | Accounting policies                            |
| 16 | Notes forming part of the financial statements |

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### **DESIGNATED MEMBERS**

Said Kaba Marrash  
GH Partner Ltd

### **REGISTERED OFFICE**

5<sup>th</sup> Floor  
5 Greenwich View Place  
London  
E14 9NN

### **REGISTERED NUMBER**

OC316522

### **AUDITORS**

RSM UK Audit LLP  
25 Farringdon St  
London  
EC4A 4AB

### **BANKERS**

Royal Bank of Scotland  
6<sup>th</sup> Floor  
1 Princes Street  
London  
EC2R 8BP

# **GOLDENBERG HEHMEYER LLP**

## **MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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 2020.

### **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 the 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**

2020 was an unexpected year for the LLP, and as well as for the rest of the world. A new strain of virus initially detected in China, arrived in the UK shores in a matter of a couple of months, and the nation went into a lockdown soon after that towards the end of March. Upon hearing the news of a novel virus, the management acted swiftly, by doing a dress rehearsal of the business continuity plan a month before the lockdown. All employees were put on working from home arrangement, with the business continuity plan deployed in full force, a week before the official lockdown. The business was able to continue as usual because of the pro-activeness of the management and employees.

The LLP had been planning to upgrade its trading infrastructure and the timing of the lockdown could not have arrived at a worse time. However, the pandemic did not thwart the plan, as the LLP successfully implemented the new infrastructure and went live in Q4. The new cutting-edge technology is the forefront of the LLP's business and it is anticipated to increase the revenue, as it also expands its market presence in the USA and the EU.

Despite the challenging times, 2020 saw the revenue increased by 22%. Although, the end of the year results was only 10% of last year's, it was nonetheless expected, as the capital was re-invested in the new technology deployment.

As the LLP gets a makeover of its infrastructure, it has also rebranded itself as "GHCO". The team at GHCO is very excited with the progress made in the last 12 months and is now ready to face more exciting challenges in the foreseeable future.

### **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.

## **GOLDENBERG HEHMEYER LLP**

### **MEMBERS' REPORT - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Going concern and Covid-19**

In light of the ongoing Covid-19 pandemic and the uncertainty in the wider economy, the management has been pro-active in managing the capital resources by keeping the fixed costs as lean as possible. It is anticipated that the run rate of the annual costs will be fairly constant for the next two years. The fixed revenue is expected to increase by 25% in 2021. The management is very confident that it has the financial and human resources to continue its operations as usual. Thus, the management has deemed that the going concern assumption is appropriate and will be utilised for the preparation of these financial statements.

#### **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. All amounts drawn are subject to cash being available and the working capital requirements of the business, including regulatory capital requirements.

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 the deed.

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 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](http://www.ghco.co.uk).

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

The members' drawings in the year amounted to £Nil (2019: £Nil).

The members' contribution in the year amounted to £Nil (2019: £4,228,114).

The members' repayment of capital in the year amounted to £Nil (2019: £6,257,860).

#### **Designated members**

The following designated members held office during the year to 31 December 2020:

|                   |                          |
|-------------------|--------------------------|
| GH Partner Ltd    | Appointed 1 January 2019 |
| Said Kaba Marrash | Appointed 1 January 2019 |

**GOLDENBERG HEHMEYER LLP**

**MEMBERS' REPORT - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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**

RSM UK Audit 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

27 April 2021

## **GOLDENBERG HEHMEYER LLP**

### **MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020**

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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**

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#### **Opinion**

We have audited the financial statements of Goldenberg Hehmeyer LLP (the 'limited liability partnership') for the year ended 31 December 2020 which comprise of the income statement, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2020 and of its profit for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

#### **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 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**

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise

## **GOLDENBERG HEHMEYER LLP**

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

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to a material misstatement in the financial statements themselves. 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 applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership 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 on pages 4, 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.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

## **GOLDENBERG HEHMEYER LLP**

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

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In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework the limited liability partnership operates in and how the limited liability partnership is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, the LLP SORP 2018 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations We inspected compliance documentation, enquired over any risk and breaches in the year, reviewed regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorization, including with any restrictions placed on the firm, and other regulatory obligations.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; Reperformed the reconciliation in trading balances held to third party statements to ensure completeness, accuracy and existence of trading revenue and substantively tied through to contracts and invoices, revenue recognized from fixed income streams.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**GOLDENBERG HEHMEYER LLP**

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

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**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 to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ran UK Audit LLP*

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NEIL GRIGGS (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London, EC4A 4AB

Date: 27 April 2021

**GOLDENBERG HEHMEYER LLP**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|   | Note | 2020<br>£   | 2019<br>£   |
|---|------|-------------|-------------|
| Turnover  | 1    | 7,901,415   | 6,463,444   |
| Operating expenses  |      | (7,765,679) | (5,454,962) |
|   |      | <hr/>       | <hr/>       |
| Operating profit/(loss)   | 2    | 135,736     | 1,008,482   |
|   |      | <hr/>       | <hr/>       |
| Profit/(Loss) for the financial year before members' remuneration and profit shares |      | 135,736     | 1,008,482   |
| Members' remuneration charged as an expense   |      | -           | -           |
|   |      | <hr/>       | <hr/>       |
| Profit for the financial year available for discretionary division among members    | 8    | 135,736     | 1,008,482   |
|   |      | <hr/>       | <hr/>       |

The notes on pages 13 to 24 form part of these financial statements.

**GOLDENBERG HEHMEYER LLP****BALANCE SHEET AS AT 31 DECEMBER 2020**

Registration No: OC316522

|   | Note | 2020<br>£          | 2019<br>£          |
|---|------|--------------------|--------------------|
| <b>Fixed Assets</b>                                   |      |                    |                    |
| Tangible assets                                       | 5    | 71,228             | 108,813            |
|   |      | <u>71,228</u>      | <u>108,813</u>     |
| <b>Current Assets</b>                                 |      |                    |                    |
| Debtors   | 6    | 1,875,543          | 658,014            |
| Cash and cash equivalents at bank and brokers         | 12   | 4,949,591          | 4,982,262          |
|   |      | <u>6,825,134</u>   | <u>5,640,276</u>   |
| <b>Creditors: amounts falling due within one year</b> | 7    | <b>(2,382,342)</b> | <b>(1,235,069)</b> |
| <b>Net current assets</b>                             |      | <u>4,442,792</u>   | <u>4,405,207</u>   |
| <b>Net assets</b>                                     |      | <u>4,514,020</u>   | <u>4,514,020</u>   |
| <b>Represented by:</b>                                |      |                    |                    |
| <b>Equity</b>   |      |                    |                    |
| Members' capital                                      | 8    | 4,178,339          | 4,178,339          |
| Members' other interests – other reserves             | 8    | 335,681            | 335,681            |
|   |      | <u>4,514,020</u>   | <u>4,514,020</u>   |
| <b>Total members' interests</b>                       |      |                    |                    |
| Loans & other debts due to members & related parties  | 8    | -                  | -                  |
| Equity  | 8    | 4,514,020          | 4,514,020          |
|   |      | <u>4,514,020</u>   | <u>4,514,020</u>   |

The financial statements on pages 9 to 24 were approved by the members and authorised for issue on 27 April 2021 and are signed on their behalf by:

Stefan Kaba-Ferreiro  
on behalf of  
GH Partner Ltd  
Designated Member

The notes on pages 13 to 24 form part of these financial statements.

**GOLDENBERG HEHMEYER LLP**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Members'<br>capital<br>classified<br>as equity | Other<br>reserves     | Equity<br>attributable<br>to the<br>members<br>(Total) |
|--|--|-----------------------|--|
|  | £  | £                     | £  |
| <b>At 1 January 2020</b>                                   | 4,178,339                                      | 335,681               | 4,514,020  |
| <b>Comprehensive income for the year</b>                   |  |                       |  |
| Profit for the year  | -  | 135,736               | 135,736  |
| <b>Total comprehensive income for the year</b>             | <u>-</u>                                       | <u>135,736</u>        | <u>135,736</u>   |
| <b>Contributions by and distributions to members</b>       |  |                       |  |
| Capital introduced   | -  | -                     | -  |
| Capital repaid   | -  | -                     | -  |
| Allocation of profits                                      | -  | (135,736)             | (135,736)  |
| <b>Total contributions by and distributions to members</b> | <u>-</u>                                       | <u>(135,736)</u>      | <u>(135,736)</u>                                       |
| <b>At 31 December 2020</b>                                 | <u><u>4,178,339</u></u>                        | <u><u>335,681</u></u> | <u><u>4,514,020</u></u>                                |
| <b>At 1 January 2019</b>                                   | 6,208,085                                      | 15,755,679            | 21,963,764   |
| <b>Comprehensive income for the year</b>                   |  |                       |  |
| Profit for the year  | -  | 1,008,482             | 1,008,482  |
| <b>Total comprehensive income for the year</b>             | <u>-</u>                                       | <u>1,008,482</u>      | <u>1,008,482</u>                                       |
| <b>Contributions by and distributions to members</b>       |  |                       |  |
| 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)   |
| <b>Total contributions by and distributions to members</b> | <u>(2,029,746)</u>                             | <u>(16,428,480)</u>   | <u>(18,458,226)</u>                                    |
| <b>At 31 December 2019</b>                                 | <u><u>4,178,339</u></u>                        | <u><u>335,681</u></u> | <u><u>4,514,020</u></u>                                |

The notes on pages 13 to 24 form part of these financial statements.

**GOLDENBERG HEHMEYER LLP**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Note | 2020<br>£        | 2019<br>£          |
|--|------|------------------|--------------------|
| <b>Cash flows from operating activities</b>  |      |                  |                    |
| <b>Profit/(Loss) for the financial year before member's remuneration and profit shares</b> |      | <b>135,736</b>   | <b>1,008,482</b>   |
| Adjustments for:   |      |                  |                    |
| Depreciation of fixed assets   | 5    | 42,311           | 68,215             |
| Disposal of fixed assets   | 5    | 10,102           | -                  |
| Decrease/(increase) in trade and other debtors   |      | (1,217,529)      | 717,672            |
| (Decrease)/increase in creditors   |      | 1,147,273        | (2,793,011)        |
| Foreign exchange losses  |      | -                | 879,998            |
|  |      | <b>117,893</b>   | <b>(118,645)</b>   |
| <b>Cash from operations</b>  |      |                  |                    |
| Members' drawings in relation to remuneration  | 8    | -                | -                  |
|  |      | <b>117,893</b>   | <b>(118,645)</b>   |
| <b>Cash flows from investing activities</b>  |      |                  |                    |
| Purchases of tangible fixed assets   | 5    | (14,828)         | -                  |
|  |      | <b>(14,828)</b>  | <b>-</b>           |
| <b>Cash flows from financing activities</b>  |      |                  |                    |
| Capital introduced by members  | 8    | -                | 4,228,114          |
| Allocation of profits  | 8    | (135,736)        | (1,740,408)        |
| Capital repaid to members  | 8    | -                | (6,257,860)        |
|  |      | <b>(135,736)</b> | <b>(3,770,154)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                                |      |                  |                    |
|  |      | <b>(32,671)</b>  | <b>(3,888,798)</b> |
| Cash and cash equivalents at the beginning of the year                                     |      | 4,982,262        | 9,751,058          |
| Foreign exchange losses  |      | -                | (879,998)          |
|  |      | <b>4,949,591</b> | <b>4,982,262</b>   |
| <b>Cash and cash equivalents comprise:</b>   |      |                  |                    |
| Cash at bank   |      | 2,661            | 211,132            |
| Cash at brokers  |      | 4,946,930        | 4,771,130          |
|  |      | <b>4,949,591</b> | <b>4,982,262</b>   |

The notes on pages 13 to 24 form part of these financial statements.

## **GOLDENBERG HEHMEYER LLP**

### **ACCOUNTING POLICIES**

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#### **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.

**Covid-19** – It has been a year since the pandemic descended upon the world, and as a result of the LLP's robust business continuity plan, it was able to continue its operation relatively unscathed. As the economy is slowly opening up, it is considering moving into a hybrid working arrangement to allow the staff the option to work from home and in the office.

In conclusion, the LLP can operate and settle its liabilities in the next 12 months. Thus, the management have deemed that the going concern assumption is appropriate and will be utilized for the preparation of these financial statements.

#### **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 judgments, 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.

# **GOLDENBERG HEHMEYER LLP**

## **ACCOUNTING POLICIES**

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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**

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 |

## **GOLDENBERG HEHMEYER LLP**

### **ACCOUNTING POLICIES**

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

#### **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 classes 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 £2,661 (2019: £211,132) and cash balances with regulated clearing brokers of £4,946,930 (2019: £4,771,130).

#### **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 2020

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### 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

|   | 2020              | 2019              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Operating profit is stated after charging/(crediting):</b> |                   |                   |
| Depreciation:   |                   |                   |
| - Charge for the year:  |                   |                   |
| Owned assets  | 42,311            | 68,215            |
| Auditors' remuneration  |                   |                   |
| - As auditors pursuant to legislation                         | 21,012            | 27,675            |
| - For tax compliance services                                 | 7,944             | 7,944             |
| - Other tax services  | 27,163            | -                 |
| Foreign exchange losses                                       | -                 | 879,998           |
| Operating lease rentals                                       |                   |                   |
| - Land and buildings  | 59,089            | 58,123            |
|   | <u>          </u> | <u>          </u> |

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 £4,203 (2019: £5,535) for audit services, £1,589 (2019: £1,589) for tax compliance services, and £5,433 (2019: £Nil) for other tax services.

### 3. Employees

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| The average number of persons employed by the LLP during year was: |                   |                   |
| Trading Staff  | 8                 | 7                 |
| Administrative Staff   | 11                | 13                |
|  | <u>          </u> | <u>          </u> |
|  | 19                | 20                |
|  | <u>          </u> | <u>          </u> |
|  | 2020              | 2019              |
| Staff costs for the above persons:                                 | £                 | £                 |
| Wages and salaries   | 1,553,134         | 1,183,180         |
| Social security costs  | 196,235           | 130,985           |
| Employer's pension contribution                                    | 39,007            | 35,972            |
|  | <u>          </u> | <u>          </u> |
|  | 1,788,376         | 1,350,137         |
|  | <u>          </u> | <u>          </u> |

**GOLDENBERG HEHMEYER LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. Members' remuneration**

|  | 2020          | 2019           |
|--|---------------|----------------|
| Average number of Members  | <u>2</u>      | <u>3</u>       |
| Profit attributable to member with highest entitlement to profit | <u>46,810</u> | <u>656,782</u> |

**5. Fixed assets – Tangible**

|                         | Furniture &<br>Fittings | Office, &<br>Computer<br>Equipment &<br>Software | Leasehold<br>Improvements | Total          |
|-------------------------|-------------------------|--|---------------------------|----------------|
|                         | £                       | £  | £                         | £              |
| <b>Cost</b>             |                         |  |                           |                |
| 1 January 2020          | 5,495                   | 350,284  | 133,385                   | 489,164        |
| Additions               | -                       | 14,828   | -                         | 14,828         |
| Disposal                | (5,495)                 | (4,607)  | -                         | (10,102)       |
| <b>31 December 2020</b> | <u>-</u>                | <u>360,505</u>                                   | <u>133,385</u>            | <u>493,890</u> |
| <b>Depreciation</b>     |                         |  |                           |                |
| 1 January 2020          | 4,612                   | 301,100  | 74,639                    | 380,351        |
| Charged in the year     | (4,612)                 | 31,598   | 15,325                    | 42,311         |
| <b>31 December 2020</b> | <u>-</u>                | <u>332,698</u>                                   | <u>89,964</u>             | <u>422,662</u> |
| <b>Net book value</b>   |                         |  |                           |                |
| <b>31 December 2020</b> | <u>-</u>                | <u>27,807</u>                                    | <u>43,421</u>             | <u>71,228</u>  |
| Net book value          |                         |  |                           |                |
| 31 December 2019        | <u>883</u>              | <u>49,184</u>                                    | <u>58,746</u>             | <u>108,813</u> |

**GOLDENBERG HEHMEYER LLP****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. Debtors**

|                                  | 2020             | 2019           |
|----------------------------------|------------------|----------------|
|                                  | £                | £              |
| Due within one year:             |                  |                |
| Amounts due from related parties | 1,129,859        | -              |
| Prepayments and accrued income   | 454,352          | 249,892        |
| Other debtors                    | 291,332          | 408,122        |
|                                  | <u>1,875,543</u> | <u>658,014</u> |

**7. Creditors: amounts falling due within one year**

|                                 | 2020             | 2019             |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Trade creditors                 | 276,201          | 107,628          |
| Accruals and deferred income    | 309,453          | 311,749          |
| Amounts owed to related parties | 1,440,664        | -                |
| Other creditors                 | 197,771          | 707,934          |
| VAT payable                     | 105,411          | 63,259           |
| Other taxes and social security | 52,842           | 44,499           |
|                                 | <u>2,382,342</u> | <u>1,235,069</u> |

**GOLDENBERG HEHMEYER LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. Reconciliation of members' interests**

|   | EQUITY                   |                |                  | DEBT  |          | TOTAL MEMBERS' INTEREST |
|---|--------------------------|----------------|------------------|---|----------|-------------------------|
|   | Members' Other Interests |                |                  | Loans and other debts due to members less any amounts due from members in debtors |          |                         |
|   | Members' Capital         | Other Reserves | Total            | Other amounts   | Total    | Total                   |
|   | £                        | £              | £                | £   | £        | £                       |
| Amounts due to members  | 4,178,339                | 335,681        | 4,514,020        | -   | -        | 4,514,020               |
| Amounts due from members                                      | -                        | -              | -                | -   | -        | -                       |
|   | <b>4,178,339</b>         | <b>335,681</b> | <b>4,514,020</b> | <b>-</b>  | <b>-</b> | <b>4,514,020</b>        |
| Balance at 31 December 2019                                   | 4,178,339                | 335,681        | 4,514,020        | -   | -        | 4,514,020               |
| Profit for 2019 available for division among previous members | -                        | 136,365        | 136,365          | -   | -        | 136,365                 |
| Loss for the year available for division among members        | -                        | (629)          | (629)            | -   | -        | (629)                   |
| Members' interests after the profit for the year              | 4,178,339                | 471,417        | 4,649,756        | -   | -        | 4,649,756               |
| Other divisions of profit                                     | -                        | -              | -                | -   | -        | -                       |
| Allocation of profits   | -                        | (135,736)      | (135,736)        | -   | -        | (135,736)               |
| Capital introduced/ (repaid) by members                       | -                        | -              | -                | -   | -        | -                       |
| Amounts due to members  | 4,178,339                | 335,681        | 4,514,020        | -   | -        | 4,514,020               |
| Amounts due from members                                      | -                        | -              | -                | -   | -        | -                       |
|   | <b>4,178,339</b>         | <b>335,681</b> | <b>4,514,020</b> | <b>-</b>  | <b>-</b> | <b>4,514,020</b>        |
| Balance at 31 December 2020                                   | <b>4,178,339</b>         | <b>335,681</b> | <b>4,514,020</b> | <b>-</b>  | <b>-</b> | <b>4,514,020</b>        |

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 2020

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#### 9. Commitments under operating leases

|   | 2020    | 2019    |
|---|---------|---------|
|   | £       | £       |
| As at 31 December 2020 the LLP has total future minimum lease payments under non-cancellable operating leases as follows: |         |         |
| Land and buildings  |         |         |
| Not later than 1 year   | 48,480  | 64,581  |
| Between in 2-5 years  | 110,230 | 158,710 |
|   | <hr/>   | <hr/>   |

#### 10. Controlling party

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

#### 11. Related party disclosures

Over the year, the LLP entered into various transactions with entities which provide key management personnel services, the provision of the technology infrastructure services, and a short-term loan. The person, by virtue of these entities, has also significant influence of the LLP.

|  | 2020      | 2019 |
|--|-----------|------|
|  | £         | £    |
| Payments made during the year            | 150,000   | -    |
| Receivable by the LLP as at the year end | 1,129,859 | -    |
| Payable by the LLP as at the year end    | 1,440,664 | -    |

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 £300,000 (2019: £837,646).

## GOLDENBERG HEHMEYER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 12. Financial Risk Management

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

|   | 2020      | 2019      |
|---|-----------|-----------|
|   | £         | £         |
| Amounts due from related parties              | 1,129,859 | -         |
| Other debtors due within one year             | 291,332   | 408,122   |
| Other debtors due in more than one year       | -         | -         |
| Cash and cash equivalents at bank and brokers | 4,949,591 | 4,982,262 |
|   | <hr/>     | <hr/>     |
|   | 6,370,782 | 5,390,384 |
|   | <hr/>     | <hr/>     |

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

|                                 | 2020    | 2019    |
|---------------------------------|---------|---------|
|                                 | £       | £       |
| Trade creditors                 | 276,201 | 107,628 |
| Other creditors                 | 197,771 | 707,934 |
| Amounts owed to related party   | 84,834  | -       |
| VAT payable                     | 105,411 | 63,259  |
| Other taxes and social security | 52,842  | 44,499  |
|                                 | <hr/>   | <hr/>   |
|                                 | 717,059 | 923,320 |
|                                 | <hr/>   | <hr/>   |

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

At 31 December 2020 and 31 December 2019 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 2020 and at 31 December 2019, all financial assets and liabilities carried at fair value were valued using Level 1 quoted prices valuation techniques.

|  | 2020     | 2019     |
|--|----------|----------|
|  | £'000    | £'000    |
| Financial instruments held for trading (long)  | 77,600   | 42,441   |
| Financial instruments held for trading (short) | (68,010) | (36,528) |
| Cash   | (4,641)  | (931)    |
|  | <hr/>    | <hr/>    |
|  | 4,949    | 4,982    |
|  | <hr/>    | <hr/>    |

## GOLDENBERG HEHMEYER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 12. 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   | Margin      | Cover |
|---------------------|-------|-------------|-------|
|                     | £'000 | Requirement | %     |
|                     |       | £'000       |       |
| At 31 December 2020 | 4,950 | 1,519       | 325%  |
| At 31 December 2019 | 4,982 | 717         | 695%  |

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

## GOLDENBERG HEHMEYER LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 12. 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 book 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<br>(Note 6) | Cash and<br>cash<br>equivalents | Fixed<br>Assets | Total |
|---------------------|---------------------|---------------------------------|-----------------|-------|
|                     | £'000               | £'000                           | £'000           | £'000 |
| At 31 December 2020 | 1,876               | 4,950                           | 71              | 6,897 |
| At 31 December 2019 | 658                 | 4,982                           | 109             | 5,749 |

At 31 December 2020 none of the total current financial assets of £6,896,362 were past their due date (2019: none out of £5,749,089). 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 as 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.

## **GOLDENBERG HEHMEYER LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **12. Financial Risk Management - continued**

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

#### **13. 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.

| <b>Country</b> | <b>Entity established</b>     | <b>Description of activity</b>                            | <b>Turnover<br/>£'000</b> | <b>Profit (or loss)<br/>before tax<br/>£'000</b> | <b>Number<br/>of<br/>employees</b> |
|----------------|-------------------------------|---|---------------------------|--|------------------------------------|
| UK             | Goldenberg<br>Hehmeyer<br>LLP | Trading on its own<br>account in financial<br>instruments | 7,901                     | 136  | 19                                 |

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.