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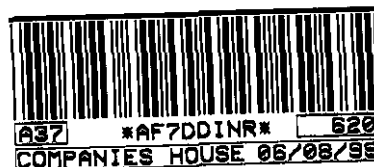
**Company Registration No. 3372229**

**DENTON HALL SERVICES (UK) LIMITED**

**Report and Financial Statements**

**Period from incorporation on 13 May 1997 to  
31 March 1998**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 1998**

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**DIRECTORS' REPORT**

The company was incorporated on 13 May 1997 and commenced trading on 1 October 1997.

The directors present their first annual report and the audited financial statements for the period from incorporation on 13 May 1997 to 31 March 1998.

**PRINCIPAL ACTIVITY**

The principal activity of the company is the provision of office services for Denton Hall (a UK Partnership), in Moscow.

**DIRECTORS AND THEIR INTERESTS**

The directors who served throughout the period and to date were as follows:

DH & B Directors Limited (appointed 13 May 1997)  
DH & B Managers Limited (appointed 13 May 1997)

The directors held no interest in the shares of the company during the period.

**YEAR 2000**

Planning to deal with the impact arising from the Year 2000 is well advanced and the estimated cost of necessary charges will not be significant for the company.

**SMALL COMPANY EXEMPTION**

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

**AUDITORS**

A resolution for the appointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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

FOR AND ON BEHALF OF

DH & B Directors Limited

DH & B Directors Limited )

DIRECTOR/  
DIRECTOR S.G. - COPY

Directors

DH & B Managers Limited )

} August 1999

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## AUDITORS' REPORT TO THE MEMBERS OF DENTON HALL SERVICES (UK) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

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

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

### Opinions

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1998 and of its profit for the period from incorporation on 13 May 1997 to 31 March 1998 and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

**Deloitte & Touche**

Chartered Accountants and Registered Auditors

/ August 1999


**PROFIT AND LOSS ACCOUNT**
**For the period from 13 May 1997 to 31 March 1998**

	Note	Period ended 31 March 1998 £
<b>TURNOVER: continuing operations</b>	1	427,217
Net operating expenses		<u>(418,841)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	8,376
Tax on profit on ordinary activities	3	<u>(3,090)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		5,286
Dividends proposed	5	<u>(5,200)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL PERIOD</b>		86
<b>Profit and loss account brought forward</b>		<u>-</u>
<b>Profit and loss account carried forward</b>		<u><u>86</u></u>

There are no recognised gains or losses other than the profit for the financial period and accordingly no statement of total recognised gains and losses is shown.



**BALANCE SHEET**  
**At 31 March 1998**

	Note	31 March 1998 £
<b>FIXED ASSETS</b>		
Tangible assets	6	50,594
<b>CURRENT ASSETS</b>		
Debtors	7	169,947
Called up share capital not paid		2
Cash at bank and in hand		14,079
		184,028
<b>CREDITORS: amounts falling due within one year</b>	8	(234,534)
<b>NET CURRENT LIABILITIES</b>		(50,506)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		88
<b>CAPITAL AND RESERVES</b>		
Called up share capital	9	2
Profit and loss account		86
<b>EQUITY SHAREHOLDERS' FUNDS</b>		88

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 3 August 1999.

Signed on behalf of the Board of Directors

FOR AND ON BEHALF OF  
D H & B Directors Limited

.....  
DH & B Directors Limited )

DH & B Managers Limited )

) Directors

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**For the period from 1 October 1997 to 31 March 1998**

	<b>Period ended 31 March 1998 £</b>
Profit attributable to members of the company	5,286
Issue of share capital	2
Dividend proposed	(5,200)
	<hr/>
Net movement on shareholders' funds	86
Opening shareholders' funds at 13 May 1997	-
	<hr/>
Closing shareholders' funds at 31 March 1998	<hr/> <hr/> 86





**NOTES TO THE ACCOUNTS**

**For the period from 1 October 1997 to 31 March 1998**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention and stated in pounds sterling.

**Turnover**

Turnover comprises the amount receivable for office services provided to Denton Hall, a partnership registered in the United Kingdom.

**Fixed assets and depreciation**

Fixed assets are stated at cost less amount provided for depreciation.

The annual rates of depreciation are as follows:

Motor vehicles	25%
Fixtures and fittings	20-25%

**Foreign exchange**

Transactions denominated in currencies other than pounds sterling are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than pounds sterling at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

<b>Profit on ordinary activities before taxation is arrived at after charging</b>	<b>Period ended 31 March 1998 £</b>
Depreciation	10,779
Auditors' remuneration	2,500
	<hr/>

**3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>Period ended 31 March 1998 £</b>
UK corporation tax at 21%	3,090
	<hr/>

The taxation charge for the period is high due to timing differences on capital allowances.



**NOTES TO THE ACCOUNTS**

**For the period from 1 October 1997 to 31 March 1998**

**4. EMPLOYEES, DIRECTORS AND AUDITORS**

	<b>Period ended 31 March 1998 No.</b>
The aggregate number of staff employed by the company was:	7
	<u>£</u>
The costs incurred in respect of these employees were:	
Wages and salaries	48,035
Social security costs	20,141
	<u>68,176</u>

No remuneration was paid in respect of directors of the company for the period.

**5. DIVIDENDS PROPOSED**

	<b>Period ended 31 March 1998 £</b>
Proposed ordinary dividends on equity shares (£2,600 per ordinary share)	<u>5,200</u>

**6. TANGIBLE FIXED ASSETS**

	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 13 May 1997	-	-	-
Additions	20,667	40,706	61,373
At 31 March 1998	<u>20,667</u>	<u>40,706</u>	<u>61,373</u>
<b>Depreciation</b>			
At 13 May 1997	-	-	-
Charge	2,840	7,939	10,779
At 31 March 1998	<u>2,840</u>	<u>7,939</u>	<u>10,779</u>
<b>Net book value</b>			
At 31 March 1998	<u>17,827</u>	<u>32,767</u>	<u>50,594</u>



**NOTES TO THE ACCOUNTS**

**For the period from 1 October 1997 to 31 March 1998**

**7. DEBTORS**

	<b>31 March 1998 £</b>
Amounts owed by group undertakings	153,276
Other debtors	8,959
Prepayments and accrued income	6,412
ACT recoverable	1,300
	<u>169,947</u>

**8. CREDITORS**

	<b>31 March 1998 £</b>
Amounts owed by group undertakings	169,381
Accruals	55,563
Corporation tax	3,090
ACT payable	1,300
Dividends proposed	5,200
	<u>234,534</u>

**9. CALLED UP SHARE CAPITAL**

	<b>31 March 1998 £</b>
Authorised: 100,000 ordinary shares of £1 each	<u>100,000</u>
Called up, allotted, issued at par on incorporation and not yet paid: 2 ordinary shares of £1 each	<u>2</u>

**NOTES TO THE ACCOUNTS****For the period from 1 October 1997 to 31 March 1998****10. RELATED PARTY TRANSACTIONS**

During the period a management charge was levied on Denton Hall, a UK partnership, for office services rendered of £427,217.

	<b>31 March 1998 £</b>
<b>Debtor</b>	
Balance at 31 March 1998	
Denton Hall, a UK partnership	153,276
<b>Creditor</b>	
Balance at 31 March 1998	
DH Employment Services Limited	169,381

**11. ULTIMATE CONTROLLING UNDERTAKING**

Denton Hall Services (UK) Limited is controlled by Denton Hall, a UK Partnership.