

DENTON HALL SERVICES (UK) LIMITED

Report and Financial Statements

Year ended 31 March 2000

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



REPORT AND FINANCIAL STATEMENTS 2000

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

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

DIRECTORS AND THEIR INTERESTS

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

DWS Directors Limited (formerly known as DH & B Directors Limited)

DWS Managers Limited (formerly known as DH & B Managers Limited)

The directors held no interests in the shares of the company or any other group company during the year.

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.

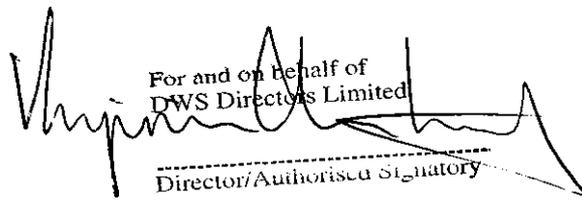
AUDITORS

A resolution for the reappointment 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

DWS Directors Limited)
)
DWS Managers Limited)

Directors


For and on behalf of
DWS Directors Limited

Director/Authorised Signatory

For and on behalf of
DWS Managers Limited


Director/Authorised Signatory

11. 2. 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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.

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

We have audited the financial statements of Denton Hall Services (UK) Limited for the year ended 31 March 2000 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2000 and of its profit for the year then ended 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

11 February 2002

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2000

	Note	2000 £	1999 £
TURNOVER	1	851,976	1,086,980
Administrative expenses		<u>(819,249)</u>	<u>(1,054,296)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	32,727	32,684
Tax on profit on ordinary activities	3	<u>(8,033)</u>	<u>(11,471)</u>
PROFIT FOR THE FINANCIAL YEAR		24,694	21,213
Equity dividends	5	<u>(24,900)</u>	<u>(21,000)</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(206)	213
Profit and loss account brought forward		<u>299</u>	<u>86</u>
Profit and loss account carried forward		<u>93</u>	<u>299</u>

All activities derive from continuing operations.

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

BALANCE SHEET
At 31 March 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	6	59,845	96,590
CURRENT ASSETS			
Debtors	7	732,264	399,585
Called up share capital not paid		2	2
Cash at bank and in hand		38,469	48,428
		770,735	448,015
CREDITORS: amounts falling due within one year	8	(830,485)	(544,304)
NET CURRENT LIABILITIES		(59,750)	(96,289)
TOTAL ASSETS LESS CURRENT LIABILITIES		95	301
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account		93	299
EQUITY SHAREHOLDERS' FUNDS		95	301

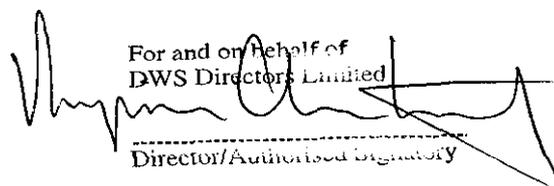
These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

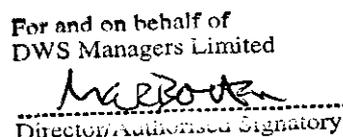
These financial statements were approved by the Board of directors on 11.2.2002.

Signed on behalf of the Board of directors

DWS Directors Limited)
DWS Managers Limited)

Directors

For and on behalf of
DWS Directors Limited

Director/Authorised Signatory

For and on behalf of
DWS Managers Limited

Director/Authorised Signatory

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 31 March 2000

	2000 £	1999 £
Profit for the financial year	24,694	21,213
Dividends	(24,900)	(21,000)
Net (decrease)/increase in shareholders' funds	<u>(206)</u>	<u>213</u>
Opening shareholders' funds	<u>301</u>	<u>88</u>
Closing shareholders' funds	<u><u>95</u></u>	<u><u>301</u></u>

NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

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

	2000	1999
	£	£
Profit on ordinary activities before taxation is arrived at after charging:		
Depreciation	37,605	36,878
Auditors' remuneration	2,500	2,500
	<u> </u>	<u> </u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
UK corporation tax at 20% (1999: 21%)	8,033	11,471
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

4. EMPLOYEES AND DIRECTORS

	2000 No.	1999 No.
The aggregate number of staff employed by the company was:	13	12
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	184,470	243,690
Social security costs	52,395	90,899
	<u>236,865</u>	<u>334,589</u>

No remuneration was paid in respect of directors of the company for the year (1999: £nil).

5. EQUITY DIVIDENDS

	2000 £	1999 £
Proposed ordinary dividends on equity shares (£12,450 per ordinary share: 1999 - £10,500 per ordinary share)	24,900	21,000

6. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 April 1999	20,667	123,580	144,247
Additions	-	860	860
At 31 March 2000	<u>20,667</u>	<u>124,440</u>	<u>145,107</u>
Depreciation			
At 1 April 1999	7,297	40,360	47,657
Charge for the year	3,343	34,262	37,605
At 31 March 2000	<u>10,640</u>	<u>74,622</u>	<u>85,262</u>
Net book value			
At 31 March 2000	<u>10,027</u>	<u>49,818</u>	<u>59,845</u>
At 31 March 1999	<u>13,370</u>	<u>83,220</u>	<u>96,590</u>

7. DEBTORS

	2000 £	1999 £
Amounts owed by group undertakings	676,912	347,673
Other debtors	12,470	35,172
Prepayments and accrued income	36,332	10,190
ACT recoverable	6,550	6,550
	<u>732,264</u>	<u>399,585</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2000

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts owed to group undertakings	704,133	443,409
Accruals	46,108	53,584
Corporation tax	22,594	14,561
ACT payable	6,550	6,550
Dividends proposed	51,100	26,200
	<u>830,485</u>	<u>544,304</u>

9. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised:		
100,000 ordinary shares of £1 each	<u>100,000</u>	<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>	<u>2</u>

10. RELATED PARTY TRANSACTIONS

During the year a management charge was levied on Denton Wilde Sapte, a UK partnership, for office services rendered of £851,976.

	2000 £	1999 £
Debtor		
Balance at 31 March		
Denton Wilde Sapte, a UK partnership	<u>676,912</u>	<u>347,673</u>
Creditor		
Balance at 31 March		
DH Employment Services Limited	<u>704,133</u>	<u>443,409</u>

11. ULTIMATE CONTROLLING UNDERTAKING

From 1 February 2000 Denton Hall Services (UK) Limited has been controlled by Denton Wilde Sapte, a UK Partnership. Prior to this date the company was controlled by Denton Hall, a UK Partnership.