

**Company Registration No. 3372229**

**Denton Wilde Sapte CIS Limited**

**Report and Financial Statements**

**30 April 2005**



# **Denton Wilde Sapte CIS Limited**

## **Report and financial statements 2005**

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# **Denton Wilde Sapte CIS Limited**

## **Directors' report**

The directors present their report and the audited financial statements for the year ended 30 April 2005.

### **Principal activity**

The principal activity of the company is the supply of legal services in Moscow. During the prior year the principal activity was the provision of office services for Denton Wilde Sapte, a UK Partnership, in Moscow.

### **Trading review and future prospects**

The profit for the year is shown on page 4. A dividend of £216,000 (2004: £54,000) was proposed in respect of the year. The directors expect the general level of activity to continue for the foreseeable future.

### **Directors and their interests**

The directors who served throughout the year were as follows:

DWS Directors Limited  
DWS Managers Limited

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

### **Auditors**

A resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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



DWS Directors Limited

Director

31 May 2006

## **Denton Wilde Sapte CIS Limited**

### **Statement of directors' responsibilities**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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 Wilde Sapte CIS Limited**

We have audited the financial statements of Denton Wilde Sapte CIS Limited for the year ended 30 April 2005 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' funds and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The 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 30 April 2005 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 LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

*31 May* 2006

## Denton Wilde Sapte CIS Limited

### Profit and loss account Year ended 30 April 2005

	Note	2005 £	2004 £
Turnover	1	1,340,860	845,508
Administrative expenses		<u>(982,876)</u>	<u>(812,988)</u>
Operating profit	2	357,984	32,520
Interest receivable		<u>128</u>	<u>-</u>
Profit on ordinary activities before taxation		358,112	32,520
Tax on profit on ordinary activities	3	<u>(103,855)</u>	<u>(6,652)</u>
Profit on ordinary activities after taxation		<u>254,257</u>	<u>25,868</u>
Equity dividends	5	<u>(216,000)</u>	<u>(54,000)</u>
Retained profit / (loss) for the financial year		38,257	(28,132)
Profit and loss account brought forward		<u>5,423</u>	<u>33,555</u>
Profit and loss account carried forward		<u><u>43,680</u></u>	<u><u>5,423</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses other than stated above and accordingly no statement of total recognised gains and losses is shown.

# Denton Wilde Sapte CIS Limited

## Balance sheet Year ended 30 April 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	6	43,032	23,077
<b>Current assets</b>			
Debtors	7	1,859,585	1,848,927
Called up share capital not paid		2	2
Cash at bank and in hand		256,845	13,751
		2,116,432	1,862,680
<b>Creditors: amounts falling due within one year</b>	8	(2,115,782)	(1,880,332)
<b>Net current liabilities</b>		650	(17,652)
<b>Net assets</b>		43,682	5,425
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account		43,680	5,423
<b>Equity shareholders' funds</b>		43,682	5,425

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 31 May 2006.

Signed on behalf of the Board of Directors



DWS Directors Limited

Director

## **Denton Wilde Sapte CIS Limited**

### **Reconciliation of movements in equity shareholders' funds Year ended 30 April 2005**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Profit for the year	254,257	25,868
Equity dividend	(216,000)	(54,000)
	<hr/>	<hr/>
<b>Net increase / (decrease) in shareholders' funds</b>	<b>38,257</b>	<b>(28,132)</b>
	<hr/>	<hr/>
Opening shareholders' funds	5,425	33,557
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>43,682</b>	<b>5,425</b>
	<hr/>	<hr/>



# **Denton Wilde Sapte CIS Limited**

## **Notes to the accounts Year ended 30 April 2005**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below which have been applied consistently in the current and previous year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Turnover**

Turnover comprises fees rendered and accrued income.

Fees rendered represent the amounts billed to clients during the period in respect of completed work excluding the reimbursement of out of pocket expenses and value added tax.

Accrued income represents the value of time that remained unbilled at the year end where a right to consideration exists in respect of the services performed during the period.

#### **Fixed assets and depreciation**

Fixed assets are stated at cost less amount provided for depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

The annual rates of depreciation are as follows:

Computers	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.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# Denton Wilde Sapte CIS Limited

## Notes to the accounts Year ended 30 April 2005

### 2. Operating profit and profit on ordinary activities before taxation

Is stated after charging:

	2005 £	2004 £
Depreciation	11,828	9,273
Auditors' remuneration	5,000	5,000

### 3. Tax on profit on ordinary activities

	2005 £	2004 £
UK corporation tax at 30% (2004: 30%)	104,979	7,454
Double taxation relief	(91,858)	(4,434)
	13,121	3,020
Foreign tax for current period	91,858	4,434
Adjustment to UK tax in respect of prior years	(4,334)	(1,352)
Total current tax after foreign tax	100,645	6,102
<b>Deferred taxation:</b>		
Timing differences	3,210	2,713
Prior year adjustments		(2,163)
	103,855	6,652

The actual tax charge for the current year and the previous period differs from the standard rate for the reasons set out in the following reconciliation:

	2005 £	2004 £
Profit on ordinary activities before tax	358,112	32,520
Tax on profit on ordinary activities at standard rate	107,434	9,756
Factors affecting charge for the period:		
Disallowable expenses	699	3,095
Capital allowances in excess of depreciation	(3,210)	(2,874)
Marginal relief	-	(2,523)
Prior period adjustments	(4,278)	(1,352)
Current tax charge on profit on ordinary activities	100,645	6,102

# Denton Wilde Sapte CIS Limited

## Notes to the accounts Year ended 30 April 2005

### 4. Employees and directors

	2005 No.	2004 No.
The aggregate number of staff employed by the company was:	21	16
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	574,405	477,819
Social security costs	48,542	38,292
	622,947	516,111

No remuneration was paid to the directors of the company for the year (2004: £nil).

### 5. Equity dividends

	2005 £	2004 £
Proposed ordinary dividends on equity shares £108,000 per ordinary share (2004: £27,000 per ordinary share)	216,000	54,000

### 6. Tangible fixed assets

	Computers £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 May 2004	80,405	82,838	163,243
Additions	12,055	19,728	31,783
At 30 April 2005	92,460	102,566	195,026
<b>Accumulated depreciation</b>			
At 1 May 2004	60,590	79,576	140,166
Charge for the year	9,324	2,504	11,828
At 30 April 2005	69,914	82,080	151,994
<b>Net book value</b>			
At 30 April 2005	22,546	20,486	43,032
At 30 April 2004	19,815	3,262	23,077

# Denton Wilde Sapte CIS Limited

## Notes to the accounts Year ended 30 April 2005

### 7. Debtors

	2005 £	2004 £
Trade debtors	243,231	-
Amounts owed by group undertakings	1,484,803	1,797,135
Prepayments	75,642	42,230
Accrued income	49,557	-
Deferred tax asset (note 9)	6,352	9,562
	<u>1,859,585</u>	<u>1,848,927</u>

### 8. Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	1,845,232	1,810,833
Corporation tax	13,199	7,454
Accruals	41,351	8,045
Dividends payable	216,000	54,000
	<u>2,115,782</u>	<u>1,880,332</u>

### 9. Deferred taxation

The amount of deferred tax assets provided in the financial statements are:

	2005 £	2004 £
Capital allowances in excess of depreciation	<u>6,352</u>	<u>9,562</u>

The movements in the provision for deferred taxation are as follows:

	£
At 1 May 2004	9,562
Profit and loss account credit (note 3)	(3,210)
At 30 April 2005	<u>6,352</u>

### 10. Called up share capital

	2005 £	2004 £
<b>Authorised:</b>		
100,000 (2004: 100,000) ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Called up, allotted, issued at par and not yet paid:</b>		
2 (2004: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

# Denton Wilde Sapte CIS Limited

## Notes to the accounts Year ended 30 April 2005

### 11. Related party transactions

During the prior year a management charge was levied on Denton Wilde Sapte, a UK partnership, for office services rendered of £845,508.

	2005 £	2004 £
<b>Debtor</b>		
At 30 April:		
Denton Wilde Sapte, a UK partnership	1,442,845	1,797,135
Denton Sales Vincent Thomas, a French partnership	34,915	-
Denton Wilde Sapte & Co, Gibraltar branch	6,710	-
Denton Wilde Sapte Uzbekistan Co Limited	333	-
	<u>1,484,803</u>	<u>1,797,135</u>
<b>Creditor</b>		
At 30 April:		
DH Employment Services Limited	1,810,833	1,810,833
Denton Hall Valdez Krug Co Limited	34,399	-
	<u>1,845,232</u>	<u>1,810,833</u>

### 12. Ultimate controlling undertaking

The directors consider Denton Wilde Sapte to be the ultimate and immediate parent entity and controlling party. Denton Wilde Sapte is the parent of the largest and smallest groups in which Denton Wilde Sapte CIS Limited is consolidated.