

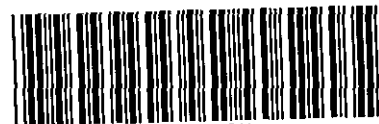
Company Registration No. 3372229

Denton Wilde Sapte CIS Limited

Report and Financial Statements

30 April 2006

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Denton Wilde Sapte CIS Limited

Report and financial statements 2006

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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 2006.

Principal activity

The principal activity of the company is the supply of legal services in Moscow.

Trading review and future prospects

The profit for the year is shown on page 5. A dividend of £216,000 was paid in the year (2005: £254,000). 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

Each of the persons who is a director at the date of approval of this report confirms that:

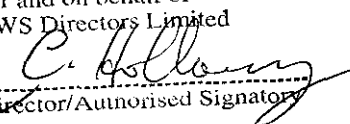
- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted with the provisions of s2342A of the Companies Act 1985.

This report has been prepared in accordance with the special provisions relating to small companies under s246(4) of the Companies Act 1985.

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

For and on behalf of
DWS Directors Limited


Director/Authorised Signatory

DWS Directors Limited

Director

28/2/2007

Denton Wilde Sapte CIS Limited

Statement of directors' responsibilities

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with *United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)*. These financial statements are required by law to 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 year. 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 2006 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

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

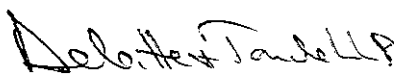
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Independent auditors' report to the members of Denton Wilde Sapte CIS Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

28 February 2007

Denton Wilde Sapte CIS Limited

Profit and loss account Year ended 30 April 2006

| | Note | 2006 £ | Restated 2005 £ |
|---|------|-------------|-----------------------|
| Turnover | 1 | 2,363,523 | 1,340,860 |
| Administrative expenses | | (1,858,586) | (982,876) |
| Operating profit | 2 | 504,937 | 357,984 |
| Interest receivable and similar charges | | 150 | 128 |
| Profit on ordinary activities before taxation | | 505,087 | 358,112 |
| Tax on profit on ordinary activities | 3 | (153,918) | (103,855) |
| Profit on ordinary activities after taxation | | 351,169 | 254,257 |
| Equity dividends | 5 | (216,000) | (54,000) |
| Retained profit for the financial year | | 135,169 | 200,257 |

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 presented.

Denton Wilde Sapte CIS Limited

Balance sheet 30 April 2006

| | Note | 2006 £ | Restated 2005 £ |
|---|------|-------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 46,182 | 43,032 |
| Current assets | | | |
| Debtors | 7 | 1,884,387 | 1,859,585 |
| Called up share capital not paid | | 2 | 2 |
| Cash at bank and in hand | | 376,232 | 256,845 |
| | | 2,260,621 | 2,116,432 |
| Creditors: amounts falling due within one year | 8 | (1,911,952) | (1,899,782) |
| Net current assets | | 348,669 | 216,650 |
| Total assets less current liabilities | | 394,851 | 259,682 |
| Capital and reserves | | | |
| Called up share capital | 10 | 2 | 2 |
| Profit and loss account | | 394,849 | 259,680 |
| Equity shareholders' funds | | 394,851 | 259,682 |

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 28/2/2007.

Signed on behalf of the Board of Directors

For and on behalf of
DWS Directors Limited


Director/Authorised Signatory

DWS Directors Limited

Director

Denton Wilde Sapte CIS Limited

Reconciliation of movements in equity shareholders' funds Year ended 30 April 2006

| | 2006 £ | Restated 2005 £ |
|---|-----------|-----------------------|
| At the beginning of the year as previously stated | 43,682 | 5,425 |
| Prior year adjustment | 216,000 | 54,000 |
| Opening equity shareholders' funds | 259,682 | 59,425 |
| Profit for the year | 351,169 | 254,257 |
| Dividends proposed | (216,000) | (54,000) |
| Closing shareholders' funds | 394,851 | 259,682 |

Denton Wilde Sapte CIS Limited

Notes to the accounts

Year ended 30 April 2006

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 with the exception of the treatment of dividends, which may only be recognised on approval following the introduction of Financial Reporting Standard 21 (Events After the Balance Sheet Date).

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, net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

| | |
|-----------------------|--------|
| 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 2006

Prior Year Restatement

Due to FRS 21, dividends are unable to be treated as a creditor and must be shown in the profit and loss account when paid. This change in accounting policy constitutes a prior period adjustment as follows:

| | Profit & Loss Reserve £ |
|-----------------------------------|----------------------------------|
| 1 May 2005 as previously reported | 5,433 |
| Reversal of proposed dividend | 54,000 |
| 1 May 2005 | <u>59,423</u> |

2. Operating profit

Is stated after charging:

| | 2006 £ | 2005 £ |
|------------------------|--------------|--------------|
| Depreciation | 17,145 | 11,828 |
| Auditors' remuneration | <u>6,000</u> | <u>5,000</u> |

3. Tax on profit on ordinary activities

| | 2006 £ | 2005 £ |
|--|------------------|-----------------|
| UK corporation tax at 30% (2005: 30%) | 152,914 | 104,979 |
| Double taxation relief | <u>(124,064)</u> | <u>(91,858)</u> |
| | 28,850 | 13,121 |
| Foreign tax for current period | 124,064 | 91,858 |
| Adjustment to UK tax in respect of prior years | <u>-</u> | <u>(4,334)</u> |
| Total current tax after foreign tax | 152,914 | 100,645 |
| Deferred taxation: | | |
| Timing differences | 1,257 | 3,210 |
| Prior year adjustments | <u>(253)</u> | <u>-</u> |
| | <u>153,918</u> | <u>103,855</u> |

Denton Wilde Sapte CIS Limited

Notes to the accounts

Year ended 30 April 2006

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:

| | 2006 £ | 2005 £ |
|---|-----------|-----------|
| Profit on ordinary activities before tax | 505,087 | 358,112 |
| Tax on profit on ordinary activities at standard rate | 151,526 | 107,434 |
| Factors affecting charge for the period: | | |
| Disallowable expenses | 2,645 | 699 |
| Capital allowances in excess of depreciation | (1,257) | (3,210) |
| Prior period adjustments | - | (4,278) |
| Current tax charge on profit on ordinary activities | 152,914 | 100,645 |

4. Employees and directors

| | 2006 No. | 2005 No. |
|--|-------------|-------------|
| The aggregate number of staff employed by the company was: | 38 | 21 |
| | £ | £ |
| The costs incurred in respect of these employees were: | | |
| Wages and salaries | 1,104,708 | 574,405 |
| Social security costs | 102,750 | 48,542 |
| | 1,207,458 | 622,947 |

No remuneration was paid to the directors of the company for the year (2005: £nil).

5. Equity dividends

| | 2006 £ | 2005 £ |
|---|-----------|-----------|
| Final equity dividends payable of £108,000 per share (2005: £27,000 per share) | 108,000 | 27,000 |

Denton Wilde Sapte CIS Limited

Notes to the accounts Year ended 30 April 2006

6. Tangible fixed assets

| | Computers £ | Fixtures and fittings £ | Total £ |
|---------------------------------|----------------|-------------------------------|------------|
| Cost | | | |
| At 1 May 2005 | 92,460 | 102,566 | 195,026 |
| Additions | 13,672 | 6,623 | 20,295 |
| At 30 April 2006 | 106,132 | 109,189 | 215,321 |
| Accumulated depreciation | | | |
| At 1 May 2005 | 69,914 | 82,080 | 151,994 |
| Charge for the year | 11,550 | 5,595 | 17,145 |
| At 30 April 2006 | 81,464 | 87,675 | 169,139 |
| Net book value | | | |
| At 30 April 2006 | 24,668 | 21,514 | 46,182 |
| At 30 April 2005 | 22,546 | 20,486 | 43,032 |

7. Debtors

| | 2006 £ | 2005 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 461,064 | 243,231 |
| Amounts owed by group undertakings | 1,078,358 | 1,484,803 |
| Prepayments | 85,694 | 75,642 |
| Accrued income | 253,923 | 49,557 |
| Deferred tax asset (note 9) | 5,348 | 6,352 |
| | 1,884,387 | 1,859,585 |

8. Creditors: amounts falling due within one year

| | 2006 £ | 2005 £ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 1,839,438 | 1,845,232 |
| Corporation tax | 28,850 | 13,199 |
| Accruals | 43,664 | 41,351 |
| | 1,911,952 | 1,899,782 |

Denton Wilde Sapte CIS Limited

Notes to the accounts Year ended 30 April 2006

9. Deferred taxation

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

| | 2006 £ | 2005 £ |
|--|--------------|--------------|
| Capital allowances in excess of depreciation | <u>5,348</u> | <u>6,352</u> |

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

| | £ |
|---|----------------|
| At 1 May 2005 | 6,352 |
| Profit and loss account credit (note 3) | <u>(1,004)</u> |
| At 30 April 2006 | <u>5,348</u> |

10. Called up share capital

| | 2006 £ | 2005 £ |
|--|----------------|----------------|
| Authorised: 100,000 ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |
| Called up, allotted, issued at par and not yet paid: 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |

11. Profit and loss account

| | £ |
|------------------------------|----------------|
| At 1 May 2005 (Restated) | 259,680 |
| Retained profit for the year | <u>135,169</u> |
| At 30 April 2006 | <u>394,849</u> |

Denton Wilde Sapte CIS Limited

Notes to the accounts

Year ended 30 April 2006

12. Related party transactions

Related party transactions arise through provision of assistance on legal matters undertaken by other group entities, and management fees owed to DH Employment Services Ltd in respect of employment services rendered.

| | 2006 £ | 2005 £ |
|---|------------------|------------------|
| Debtor | | |
| At 30 April: | | |
| Denton Wilde Sapte, a UK partnership | 1,032,528 | 1,442,845 |
| Denton Sales Vincent Thomas, a French partnership | 39,120 | 34,915 |
| Denton Wilde Sapte & Co, Gibraltar branch | 6,710 | 6,710 |
| Denton Wilde Sapte CA Limited | - | 333 |
| | <u>1,078,358</u> | <u>1,484,803</u> |
| Creditor | | |
| At 30 April: | | |
| DH Employment Services Limited | 1,810,833 | 1,810,833 |
| Denton Hall Valdez Krug Co Limited | 24,673 | 34,399 |
| Denton Wilde Sapte CA Limited | 3,932 | - |
| | <u>1,839,438</u> | <u>1,845,232</u> |

13. 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.