

**DENTON HALL SERVICES (UK) LIMITED**

**Report and Financial Statements**

**13 months ended 30 April 2001**

**Deloitte & Touche  
London**



**REPORT AND FINANCIAL STATEMENTS 2001**

<b>CONTENTS</b>	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Balance sheet</b>	<b>5</b>
<b>Reconciliation of movements in shareholders' funds</b>	<b>6</b>
<b>Notes to the accounts</b>	<b>7</b>

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 13 months ended 30 April 2001.

### 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 period 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 period.

### 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

For and on behalf of  
DWS Directors Limited

  
Director/Authorised Signatory

DWS Directors Limited )

)

Directors

DWS Managers Limited )

)

27/3/ 2003

## 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 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  
HALL SERVICES (UK) LIMITED**

We have audited the financial statements of Denton Hall Services (UK) Limited for the period from 1 April 2000 to 30 April 2001 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in 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 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 period 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 2001 and of its profit for the period from 1 April 2000 to 30 April 2001 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  
London

28/3/ 2003

**PROFIT AND LOSS ACCOUNT**  
**13 months ended 30 April 2001**

	Note	13 months ended 30 April 2001 £	Year ended 31 March 2000 £
<b>TURNOVER</b>	1	1,230,279	851,976
Administrative expenses		<u>(1,182,878)</u>	<u>(819,249)</u>
<b>OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	47,401	32,727
Tax on profit on ordinary activities	3	<u>(18,932)</u>	<u>(8,033)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL PERIOD</b>		28,469	24,694
Equity dividends	5	<u>(28,526)</u>	<u>(24,900)</u>
<b>RETAINED LOSS FOR THE FINANCIAL PERIOD</b>		(57)	(206)
<b>Profit and loss account brought forward</b>		<u>93</u>	<u>299</u>
<b>Profit and loss account carried forward</b>		<u>36</u>	<u>93</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.

## BALANCE SHEET

At 30 April 2001

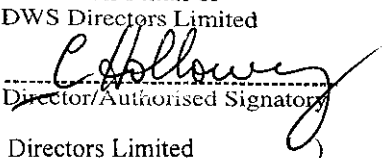
	Note	30 April 2001 £	31 March 2000 £
<b>FIXED ASSETS</b>			
Tangible assets	6	43,414	59,845
<b>CURRENT ASSETS</b>			
Debtors	7	1,136,268	732,264
Called up share capital not paid		2	2
Cash at bank and in hand		28,637	38,469
		1,164,907	770,735
<b>CREDITORS: amounts falling due within one year</b>	8	(1,208,283)	(830,485)
<b>NET CURRENT LIABILITIES</b>		(43,376)	(59,750)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		38	95
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Profit and loss account		36	93
<b>EQUITY SHAREHOLDERS' FUNDS</b>		38	95

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 27/3/ 2003.

Signed on behalf of the Board of Directors

For and on behalf of  
DWS Directors Limited

  
Director/Authorised Signatory

DWS Directors Limited )

DWS Managers Limited )

) Directors

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**13 months ended 30 April 2001**

	13 months ended 30 April 2001 £	Year ended 31 March 2000 £
Profit for the period	28,469	24,694
Equity dividends	(28,526)	(24,900)
<b>Net decrease in shareholders' funds</b>	<b>(57)</b>	<b>(206)</b>
Opening shareholders' funds	95	301
<b>Closing shareholders' funds</b>	<b>38</b>	<b>95</b>



**NOTES TO THE ACCOUNTS**  
**13 months ended 30 April 2001****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom 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.

**Deferred taxation**

Deferred taxation is provided in full on timing differences relating to pension and other post retirement benefits calculated at the rates at which it is expected that tax will arise. Deferred taxation is provided on other timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future without replacement, calculated at the rates at which it is expected that tax will arise.

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

Is stated after charging:

	13 months ended 30 April 2001 £	Year ended 31 March 2000 £
Depreciation	37,371	37,605
Auditors' remuneration	2,500	2,500
Loss on disposal of fixed assets	7,961	-
	<u>47,832</u>	<u>42,605</u>

## NOTES TO THE ACCOUNTS

13 months ended 30 April 2001

## 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	13 months ended 30 April 2001 £	Year ended 31 March 2000 £
UK corporation tax at 30% (2000: 20%)	17,786	8,033
Marginal relief	(1,196)	-
Prior year adjustments	2,342	-
	<u>18,932</u>	<u>8,033</u>

Tax charge is higher than 30% due to non-deductible expenditure and a prior year adjustment.

## 4. EMPLOYEES AND DIRECTORS

	13 months ended 30 April 2001 No.	Year ended 31 March 2000 No.
The aggregate number of staff employed by the company was:	<u>16</u>	<u>13</u>
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	356,320	184,470
Social security costs	59,797	52,395
	<u>416,117</u>	<u>236,865</u>

No remuneration was paid to the directors of the company for the period (2000: £nil).

## 5. EQUITY DIVIDENDS

	13 months ended 30 April 2001 £	Year ended 31 March 2000 £
Proposed ordinary dividends on equity shares (£14,263 per ordinary share: 2000 - £12,450 per ordinary share)	<u>28,526</u>	<u>24,900</u>

NOTES TO THE ACCOUNTS  
13 months ended 30 April 2001

## 6. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2000	20,667	124,440	145,107
Additions	26,143	2,758	28,901
Disposals	(20,667)	-	(20,667)
At 30 April 2001	26,143	127,198	153,341
<b>Accumulated depreciation</b>			
At 1 April 2000	10,640	74,622	85,262
Charge for the period	4,215	33,156	37,371
Disposals	(12,706)	-	(12,706)
At 30 April 2001	2,149	107,778	109,927
<b>Net book value</b>			
At 30 April 2001	23,994	19,420	43,414
At 31 March 2000	10,027	49,818	59,845

## 7. DEBTORS

	30 April 2001 £	31 March 2000 £
Amounts owed by group undertakings	1,132,024	676,912
Other debtors	-	12,470
ACT recoverable	-	6,550
Prepayments and accrued income	4,244	36,332
	1,136,268	732,264

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 April 2001 £	31 March 2000 £
Amounts owed to group undertakings	1,026,654	704,133
Corporation tax	41,526	22,594
ACT payable	-	6,550
Accruals	60,477	46,108
Dividends proposed	79,626	51,100
	1,208,283	830,485

NOTES TO THE ACCOUNTS  
13 months ended 30 April 2001

## 9. DEFERRED TAXATION

Amounts not provided are:

	30 April 2001	31 March 2000
	£	£
Capital allowances in excess of depreciation	15,467	11,195

## 10. CALLED UP SHARE CAPITAL

	30 April 2001	31 March 2000
	£	£
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Called up, allotted, issued at par on incorporation and not yet paid:</b>		
2 ordinary shares of £1 each	2	2

## 11. RELATED PARTY TRANSACTIONS

During the period a management charge was levied on Denton Wilde Sapte, a UK partnership, for office services rendered of £1,230,279 (2000: £851,976).

	30 April 2001	31 March 2000
	£	£
<b>Debtor</b>		
At end of period:		
Denton Wilde Sapte, a UK partnership	1,132,024	676,912
<b>Creditor</b>		
At end of period:		
DH Employment Services Limited	1,026,654	704,133

## 12. 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.