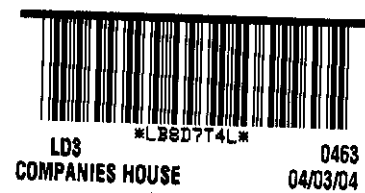


DENTON HALL SERVICES UK LIMITED

Report and Financial Statements

30 April 2003

**Deloitte & Touche LLP
London**



REPORT AND FINANCIAL STATEMENTS 2003

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 April 2003.

PRINCIPAL ACTIVITY

The principal activity of the company is 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. The directors do not recommend the payment of a dividend for the year (2002: £62,890). 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.

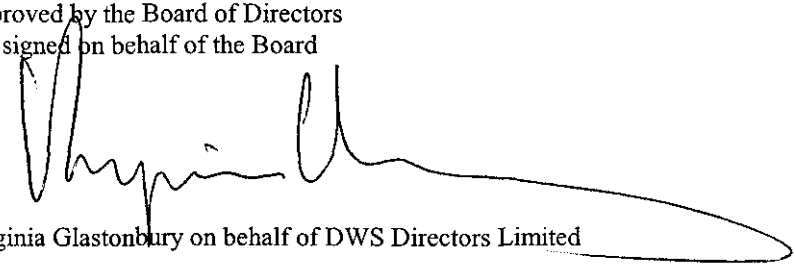
SMALL COMPANY EXEMPTION

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

AUDITORS

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. 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



Virginia Glastonbury on behalf of DWS Directors Limited

3 march 2004

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 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 year ended 30 April 2003 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 year and consider the implications for our report if we become aware of any apparent misstatements.

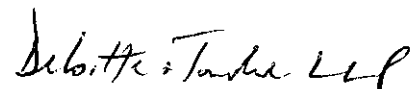
Basis of audit opinion

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 2003 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

Chartered Accountants and Registered Auditors
London



PROFIT AND LOSS ACCOUNT

Year ended 30 April 2003

	Note	2003 £	2002 £
TURNOVER	1	1,168,765	1,805,021
Administrative expenses		<u>(1,123,812)</u>	<u>(1,735,574)</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	44,953	69,447
Tax on profit on ordinary activities	3	<u>(11,441)</u>	<u>(6,550)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		33,512	62,897
Equity dividends	5	<u>-</u>	<u>(62,890)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		33,512	7
Profit and loss account brought forward		<u>43</u>	<u>36</u>
Profit and loss account carried forward		<u><u>33,555</u></u>	<u><u>43</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.

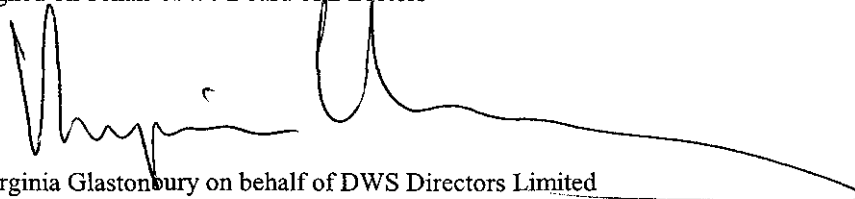
BALANCE SHEET
Year ended 30 April 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	6	25,302	37,815
CURRENT ASSETS			
Debtors	7	2,031,666	1,964,931
Called up share capital not paid		2	2
Cash at bank and in hand		69,416	47,698
		2,101,084	2,012,631
CREDITORS: amounts falling due within one year	8	(2,092,829)	(2,050,401)
NET CURRENT ASSETS/(LIABILITIES)		8,255	(37,770)
TOTAL ASSETS LESS CURRENT LIABILITIES		33,557	45
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		33,555	43
EQUITY SHAREHOLDERS' FUNDS		33,557	45

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 March 2004.

Signed on behalf of the Board of Directors


 Virginia Glastonbury on behalf of DWS Directors Limited

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**Year ended 30 April 2003**

	2003	2002
	£	£
Profit for the year	33,512	62,897
Equity dividends	-	(62,890)
	<hr/>	<hr/>
Net increase in shareholders' funds	33,512	7
Opening shareholders' funds	45	38
	<hr/>	<hr/>
Closing shareholders' funds	<u>33,557</u>	<u>45</u>

NOTES TO THE ACCOUNTS**Year ended 30 April 2003****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.

Turnover

Turnover comprises the amount receivable for office services provided to Denton Wilde Sapte, a UK Partnership, in Moscow, all of which arises in the UK.

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 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.

2. OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Is stated after charging:

	2003 £	2002 £
Depreciation	13,787	15,326
Auditors' remuneration	2,500	2,500
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
UK corporation tax at 30% (2002: 30%)	9,141	27,277
Double taxation relief	(3,747)	(2,139)
	<u>5,394</u>	<u>25,138</u>
Foreign tax for current period	3,747	-
Prior year adjustments	-	(6,176)
Deferred taxation:		
Timing differences	5,218	2,231
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	-	(15,467)
Prior year adjustments	(2,918)	824
	<u>11,441</u>	<u>6,550</u>

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

	2003 £	2002 £
Profit on ordinary activities before tax	44,953	69,447
Tax on profit on ordinary activities at standard rate	13,486	20,834
Factors affecting charge for the period:		
Disallowable expenses	3,541	9,461
Capital allowances in excess of depreciation	(5,219)	(2,231)
Marginal relief	(2,667)	(787)
Prior period adjustments	-	(6,176)
Tax charge on profit on ordinary activities	<u>9,141</u>	<u>21,101</u>

4. EMPLOYEES AND DIRECTORS

	2003 Number	2002 Number
The aggregate number of staff employed by the company was:	<u>18</u>	<u>20</u>
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	584,908	587,223
Social security costs	40,001	53,206
	<u>624,909</u>	<u>640,429</u>

No remuneration was paid to the directors of the company for the year (2002: £nil).

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

5. EQUITY DIVIDENDS

	2003 £	2002 £
Proposed ordinary dividends on equity shares		
£nil per ordinary share (2002 - £31,445 per ordinary share)	-	62,890

6. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 May 2002	26,143	136,925	163,068
Additions	-	19,270	19,270
Disposals	(26,143)	-	(26,143)
At 30 April 2003	-	156,195	156,195
Accumulated depreciation			
At 1 May 2002	8,147	117,106	125,253
Charge for the year	-	13,787	13,787
Disposals	(8,147)	-	(8,147)
At 30 April 2003	-	130,893	130,893
Net book value			
At 30 April 2003	-	25,302	25,302
At 30 April 2002	17,996	19,819	37,815

7. DEBTORS

	2003 £	2002 £
Amounts owed by group undertakings	2,021,554	1,932,003
Prepayments and accrued income	-	20,516
Deferred tax asset	10,112	12,412
	2,031,666	1,964,931

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Amounts owed to group undertakings	1,863,713	1,863,713
Corporation tax	34,279	27,894
Accruals	78,521	42,478
Dividends payable	116,316	116,316
	2,092,829	2,050,401

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

9. DEFERRED TAXATION

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

	2003 £	2002 £
Capital allowances in excess of depreciation	10,112	(12,412)

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

	£
At 1 May 2002	(12,412)
Profit and loss account credit (note 3)	2,300
At 30 April 2003	10,112

10. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
Called up, allotted, issued at par and not yet paid:		
2 ordinary shares of £1 each	2	2

11. RELATED PARTY TRANSACTIONS

During the year a management charge was levied on Denton Wilde Sapte, a UK partnership, for office services rendered of £1,168,765 (2002: £1,804,996).

	2003 £	2002 £
Debtor		
At end of year:		
Denton Wilde Sapte, a UK partnership	2,021,554	1,932,003
Creditor		
At end of year:		
DH Employment Services Limited	1,863,713	1,863,713

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 Hall Services UK Limited is consolidated.