

**DH EMPLOYMENT SERVICES 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 annual 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 employment services for Denton Hall Services (UK) Limited, Denton Hall Valdez Krug Co. Limited and Denton Wilde Sapte.

### 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 (2002: £24,440). 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

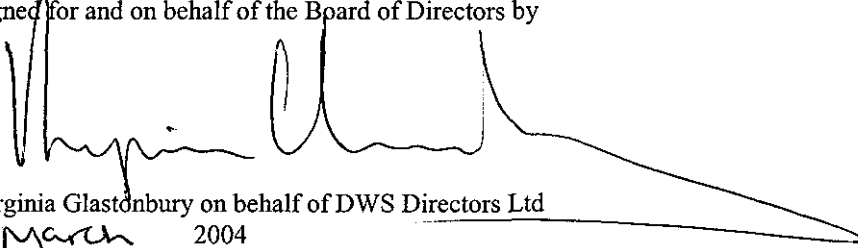
This report has been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

### 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

Signed for and on behalf of the Board of Directors by



Virginia Glastonbury on behalf of DWS Directors Ltd  
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 DH EMPLOYMENT SERVICES LIMITED**

We have audited the financial statements of DH Employment Services 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 10. 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.

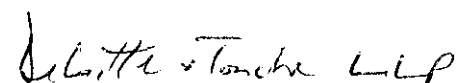
### **Basis of audit opinion**

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.

### **Opinion**

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

4/3/ 2004

**PROFIT AND LOSS ACCOUNT**

**Year ended 30 April 2003**

	Note	2003 £	2002 £
<b>TURNOVER</b>	1	219,982	821,045
Administrative expenses		<u>(206,678)</u>	<u>(789,466)</u>
<b>OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	13,304	31,579
Tax charge on profit on ordinary activities	3	<u>(2,528)</u>	<u>(7,138)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR</b>		10,776	24,441
Equity dividends	5	<u>-</u>	<u>(24,440)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		10,776	1
<b>Profit and loss account brought forward</b>		<u>44</u>	<u>43</u>
<b>Profit and loss account carried forward</b>		<u><u>10,820</u></u>	<u><u>44</u></u>

All activities derive from continuing operations.

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

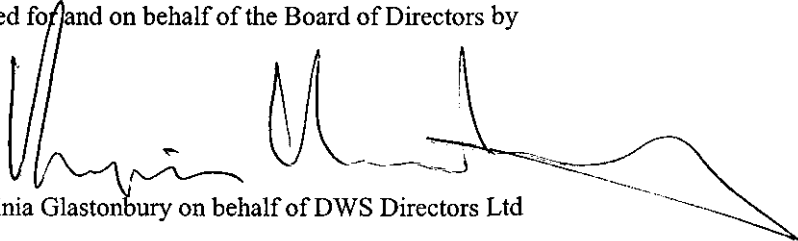
**BALANCE SHEET****At 30 April 2003**

	Note	2003 £	2002 £
<b>CURRENT ASSETS</b>			
Debtors	6	2,380,234	2,206,904
Called up share capital not paid		<u>2</u>	<u>2</u>
		2,380,236	2,206,906
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(2,369,414)</u>	<u>(2,206,860)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,822</u>	<u>46</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	2	2
Profit and loss account		<u>10,820</u>	<u>44</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>10,822</u>	<u>46</u>

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 for and on behalf of the Board of Directors by

  
Virginia Glastonbury on behalf of DWS Directors Ltd

**RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

**Year ended 30 April 2003**

	2003 £	2002 £
Profit for the year	10,776	24,441
Equity dividends	-	(24,440)
	<hr/>	<hr/>
<b>Net increase in equity shareholders' funds</b>	10,776	1
Opening equity shareholders' funds	<hr/> 46	<hr/> 45
<b>Closing equity shareholders' funds</b>	<hr/> <hr/> 10,822	<hr/> <hr/> 46



## NOTES TO THE FINANCIAL STATEMENTS

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 and stated in pounds sterling.

**Turnover**

Turnover comprises the amount receivable for employment services provided to Denton Hall Services (UK) Limited, Denton Hall Valdez Krug Co. Limited and Denton Wilde Sapte, all of which arises in the UK.

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

	2003 £	2002 £
Is stated after charging:		
Auditors' remuneration – audit services	1,500	2,500

## 3. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
UK corporation tax at 19% (2002: 30%)	2,528	7,138

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

	2003 £	2002 £
Profit on ordinary activities before tax	13,304	31,579
Tax on profit on ordinary activities at standard rate	2,528	9,474
Marginal relief	-	(2,336)
Tax charge on profit on ordinary activities	2,528	7,138

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2003

## 4. EMPLOYEES AND DIRECTORS

	2003 No.	2002 No.
The aggregate number employed by the company was:	1	2
	£	£
The costs incurred in respect of these employees were:		
Wages and salaries	198,560	786,967
	198,560	786,967

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

## 5. EQUITY DIVIDENDS

	2003 £	2002 £
Proposed ordinary dividend on equity shares		
£nil per ordinary share (2002: £12,220 per ordinary share)	-	24,440

## 6. DEBTORS

	2003 £	2002 £
Amounts owed by group undertakings	2,368,170	2,200,652
Prepayments and accrued income	12,064	6,252
	2,380,234	2,206,904

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

	2003 £	2002 £
Amounts owed to group undertakings	1,891,817	1,551,847
Corporation tax	9,684	16,363
Accruals	416,623	587,360
Dividend payable	51,290	51,290
	2,369,414	2,206,860

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2003

## 8. CALLED UP SHARE CAPITAL

	2003 £	2002 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>
<b>Called up, allotted and unpaid:</b>		
2 ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

## 9. RELATED PARTY TRANSACTIONS

During the year a management charge of £nil (2002: £609,411) was levied on Denton Hall Services (UK) Limited for employment services rendered. £203,989 (2002: £114,318) was levied on Denton Hall Valdez Krug Co. Limited and £15,993 (2002: £97,316) was accrued to Denton Wilde Sapte for employment services rendered.

	2003 £	2002 £
<b>Debtor</b>		
At end of year:		
Owed by Denton Hall Services (UK) Limited	1,863,714	1,863,714
Owed by Denton Hall Valdez Krug Co. Limited	504,456	336,938
	<u>2,368,170</u>	<u>2,200,652</u>
<b>Creditor</b>		
At end of year:		
Owed to Denton Wilde Sapte, a partnership	<u>1,891,817</u>	<u>1,551,847</u>

## 10. 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 Employment Services Limited is consolidated.