

Company Registration No. 3603245

SNR Denton Kazakhstan Limited

Report and Financial Statements

30 April 2012



SNR Denton Kazakhstan Limited

Report and financial statements 2012

Contents	Page
Officers and professional advisers	1
Directors' report	2-3
Statement of directors' responsibilities	4
Independent auditor's report	5-6
Profit and loss account	7
Balance sheet	8
Reconciliation of movement in shareholders' funds	9
Notes to the financial statements	10-15

SNR Denton Kazakhstan Limited

Report and financial statements 2012

Officers and professional advisers

Directors

Andrew David Harris
Matthew Nicholas Jones
Brandon William Ransley
Marla Valdez
Robert Christian Henry Wyatt

Secretary

Andrew David Harris

Registered Office

1 Fleet Place
London
EC4M 7WS

Bankers

The Royal Bank of Scotland plc
1 Fleet Street
London
EC4Y 1BD

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

SNR Denton Kazakhstan Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2012

Principal activity

The company operates a branch in Almaty in The Republic of Kazakhstan and supplies legal services from that branch. The company's sole trading operations are through its branch in Almaty.

Results and dividends

The company's profit for the year amounted to £369,537 (2011: loss of £380,910).

A dividend of £nil (2011: £550,000) was paid during the year.

Going concern

The company is financed by SNR Denton UK LLP which has considerable financial resources and is expected to generate positive cash flows for the foreseeable future. Its branch is also expected to generate positive cash flows. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and uncertainties

Kazakhstan declared independence from the Soviet Union and became a sovereign nation in 1991. Since then, privatisation and economic reform have transformed the Kazakh market, particularly in oil and gas markets where it continues to attract foreign investment. Doing business in Kazakhstan successfully, however, requires a thorough understanding of Kazakh business culture. With the company's focus on Energy it is well placed to take advantage of local opportunities.

In order to avoid the main business risks the company prepares an annual budget that is reviewed after six months to ensure targets are realistic and achievable. Suitable action is taken to remedy any significant variances from the original budget.

Directors

The directors who held office during the year and to the date of this report were as follows:

Andrew David Harris

Matthew Nicholas Jones (appointed 15 June 2011)

Howard Philip Morris (resigned 15 June 2011)

Brandon William Ransley

Marla Valdez

Robert Christian Henry Wyatt

The shares in the capital of the company are beneficially owned by the partners of SNR Denton UK LLP, Solicitors.

SNR Denton Kazakhstan Limited

Directors' report

(continued)

Auditor

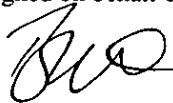
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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



Brandon William Ransley
Director

3 January 2013

SNR Denton Kazakhstan Limited

Statement of directors' responsibilities

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

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of SNR Denton Kazakhstan Limited

We have audited the financial statements of SNR Denton Kazakhstan Limited for the year ended 30 April 2012 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholders' funds and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of SNR Denton Kazakhstan Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jeremy Black (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
3 January 2013

SNR Denton Kazakhstan Limited

Profit and loss account Year ended 30 April 2012

	Notes	2012 £	2011 £
Turnover	1	3,426,095	3,104,670
Administrative expenses		(2,949,998)	(3,046,502)
Operating profit	2	<u>476,097</u>	<u>58,168</u>
Interest receivable and similar income	4	<u>546</u>	<u>121</u>
Profit on ordinary activities before taxation		<u>476,643</u>	<u>58,289</u>
Tax on profit on ordinary activities	5	<u>(107,106)</u>	<u>(439,199)</u>
Profit/(loss) on ordinary activities after taxation	11	<u><u>369,537</u></u>	<u><u>(380,910)</u></u>

All amounts relate to continuing operations

There are no recognised gains or losses other than as stated above in either year

SNR Denton Kazakhstan Limited

Balance sheet 30 April 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	7		46,810		52,585
Current assets					
Debtors	8	2,647,314		2,882,325	
Called up share capital not paid		2		2	
Cash at bank and in hand		369,121		631,093	
		<u>3,016,437</u>		<u>3,513,420</u>	
Creditors: amounts falling due within one year	9	<u>(2,820,637)</u>		<u>(3,692,932)</u>	
Net current assets/(liabilities)			<u>195,800</u>		<u>(179,512)</u>
Net assets/(liabilities)			<u>242,610</u>		<u>(126,927)</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		242,608		(126,929)
Shareholders' funds/(deficit)			<u>242,610</u>		<u>(126,927)</u>

The financial statements of SNR Denton Kazakhstan Limited, registered number 3603245 were approved by the Board of Directors on 3 January 2013

Signed on behalf of the Board of Directors



Brandon William Ransley
Director

SNR Denton Kazakhstan Limited

Reconciliation of movements in shareholders' funds Year ended 30 April 2012

	Note	2012 £	2011 £
Opening shareholders' (deficit)/funds		(126,927)	803,983
Profit/(loss) for the financial year		369,537	(380,910)
Dividends paid	6	-	(550,000)
Closing shareholders' funds/(deficit)		242,610	(126,927)

SNR Denton Kazakhstan Limited

Notes to the accounts **Year ended 30 April 2012**

1. Accounting policies

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

Going concern

The company is financed by SNR Denton UK LLP which has considerable financial resources and is expected to generate positive cash flows for the foreseeable future. Its branch is also expected to generate positive cash flows. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

The company has taken advantage of the exemption available under Financial Reporting Standard No 1 not to prepare a statement of cash flows on the grounds that the parent undertaking includes the company in its own published financial statements.

Reporting currency

The functional currency of the company is the US dollar and the reporting currency is pound sterling.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Furniture and equipment	– 20% on a straight line basis
Computer equipment	– 25% on a straight line basis
Leasehold improvements	– over the term of the lease

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 which 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 items 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 as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover comprises fees rendered and accrued income. All of the company's turnover was in relation to services provided by its branch in Almaty in The Republic of Kazakhstan.

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

SNR Denton Kazakhstan Limited

Notes to the accounts Year ended 30 April 2012

1. Accounting policies (continued)

Turnover (continued)

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 year. Where the right to consideration does not arise until the occurrence of a critical event, revenue is not recognised until that event occurs.

Foreign currency

Transactions denominated in currencies other than US dollars are recorded at the rates of exchange at the date of the transaction. Monetary assets and liabilities denominated in a currency other than pound sterling at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Dividends

Dividends are recognised on a receipts basis at the sterling equivalent (where known) of the amount received after adjusting for withholding tax.

2. Operating profit

	2012 £	2011 £
This is stated after charging		
Operating lease rental	163,867	168,101
Depreciation	24,958	26,566
Auditors' remuneration – audit services	8,254	7,853
Foreign exchange loss	189,039	206,989

3. Employees and directors

	2012 £	2011 £
The average monthly number of employees during the year was	50	53
	£	£
The costs incurred in respect of these employees were		
Wages and salaries	1,157,711	1,145,038
Social security costs	182,928	324,262
	1,340,639	1,469,300

No remuneration was paid to the directors of the company for the year (2011: £nil)

SNR Denton Kazakhstan Limited

Notes to the accounts Year ended 30 April 2012

4. Interest receivable and similar income

	2012 £	2011 £
Bank interest receivable	546	121

5. Tax on profit on ordinary activities

	2012 £	2011 £
Current taxation		
UK corporation tax at 26%/24% (2011 27.8%)	-	-
Double taxation relief	-	-
	-	-
UK prior year adjustment	(55,001)	101,615
Foreign tax for current period	140,311	223,553
Foreign tax for prior years	-	80,839
	85,310	406,007
Deferred taxation timing differences	21,796	33,192
Total taxation on profit on ordinary activities	107,106	439,199

The standard rate of tax for the year based on the UK standard rate of corporation tax is 26 %/24% (2011 27.8%) The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation

	2012 £	2011 £
Profit on ordinary activities before tax	476,643	58,289
Tax on profit on ordinary activities at standard rate of 26%/24% (2011 27.8%)	123,146	16,225
Factors affecting charge for the period		
Non deductible expenditure	4,389	7,891
Other timing differences	(19,569)	(24,175)
Depreciation on non-qualified leasehold improvements	675	759
Capital allowances in excess of depreciation	(1,737)	(7,046)
Group relief received for nil payment	(106,904)	-
Prior period adjustment	(55,001)	182,454
Foreign tax on overseas earnings	140,311	223,553
Tax loss carried back to 2010	-	6,346
Current tax charge on profit on ordinary activities	85,310	406,007

SNR Denton Kazakhstan Limited

Notes to the accounts Year ended 30 April 2012

5 Tax on profit on ordinary activities (continued)

Under UK GAAP, deferred tax is calculated at the rate that has been enacted or substantively enacted at the balance sheet date. The reduction in the main rate of UK corporation tax to 24% was substantively enacted on 26 March 2012, therefore deferred tax assets have been measured at 24% in these financial statements.

The UK government has proposed further changes to the main rate, with the rate due to fall by 1% per annum to 22% by 1 April 2014. These further reductions to the tax rates were not substantively enacted at the balance sheet date, and are therefore not reflected in these financial statements.

6 Equity dividends

	2012 £	2011 £
Final equity dividend for the year ended 30 April 2012 paid of £nil per share (2011 dividend paid of £275,000 per share)	-	550,000

7. Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Leasehold improvements £	Total
Cost				
At 1 May 2011	64,279	158,569	32,636	255,484
Additions in the year	6,258	12,925	-	19,183
Disposals in the year	-	(50,219)	-	(50,219)
At 30 April 2012	70,537	121,275	32,636	224,448
Accumulated depreciation				
At 1 May 2011	53,321	126,836	22,742	202,899
Charge for the year	4,096	13,210	7,652	24,958
Disposals in the year	-	(50,219)	-	(50,219)
At 30 April 2012	57,417	89,827	30,394	177,638
Net book value				
At 30 April 2012	13,120	31,448	2,242	46,810
At 30 April 2011	10,958	31,733	9,894	52,585

SNR Denton Kazakhstan Limited

Notes to the accounts Year ended 30 April 2012

8. Debtors

	2012 £	2011 £
Amounts owed by group undertakings	1,151,881	1,237,569
Trade debtors	1,045,686	1,245,439
Accrued income	420,894	295,757
Other debtors	21,967	74,878
Deferred tax (note 12)	6,886	28,682
	<u>2,647,314</u>	<u>2,882,325</u>

9. Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	2,549,052	3,268,505
Accruals and deferred income	228,573	341,417
Trade creditors	1,837	483
Kazakhstan VAT	15,390	36,513
Corporation tax	25,785	46,014
	<u>2,820,637</u>	<u>3,692,932</u>

10. Issued share capital

	2012 £	2011 £
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 2011	(126,929)
Profit for the year	<u>369,537</u>
At 30 April 2012	<u>242,608</u>

SNR Denton Kazakhstan Limited

Notes to the accounts Year ended 30 April 2012

12. Deferred taxation

The amounts of deferred tax assets recognised in the financial statements are

	2012 £	2011 £
Depreciation in excess of capital allowances	<u>6,886</u>	<u>28,682</u>

The movements in the deferred tax asset are

	£
At 1 May 2011	28,682
Profit and loss account charge (note 5)	<u>(21,796)</u>
At 30 April 2012	<u>6,886</u>

13. Related party transactions

The company has taken advantage of the exemption in FRS 8, paragraph 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent, SNR Denton UK LLP

14. Obligations under leases and hire purchase contracts

Annual commitments under non-cancellable operating leases are as follows

	2012 £	2011 £
Operating leases which expire		
Within one year	40,075	52,425
In two to five years	<u>120,224</u>	<u>104,851</u>
	<u>160,299</u>	<u>157,276</u>

15. Immediate and ultimate parent undertaking

The directors consider SNR Denton UK LLP to be the ultimate and immediate parent entity and controlling party. SNR Denton UK LLP is the parent of the largest and smallest group in which SNR Denton Kazakhstan Limited is consolidated. Copies of the financial statements can be obtained from 1 Fleet Place, London, EC4M 7WS