

Registered number 01322002

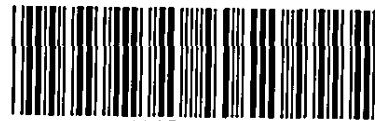
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**OISE LIMITED**

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**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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**OISE LIMITED**

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**OISE LIMITED**

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**COMPANY INFORMATION**

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<b>COMPANY NUMBER</b>	01322002
<b>REGISTERED OFFICE</b>	38 Binsey Lane Oxford OX2 0EY
<b>DIRECTOR</b>	T Gins
<b>COMPANY SECRETARY</b>	Diamond College Limited
<b>BANKERS</b>	HSBC Bank plc Apex Plaza Reading Berkshire RG1 1AX
<b>AUDITOR</b>	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA

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## OISE LIMITED

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### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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The director presents his report and the financial statements for the year ended 31 December 2011

#### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is the management of the OISE group

A more detailed review of the OISE group business activity in the period can be seen in the Directors' Report of the group's annual report, which does not form part of this report

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £77,224 (2010 £5,174,877)

Dividends of £nil (2010 £500,000) were paid in the year No dividends are proposed

#### DIRECTOR

The director who served during the year was

T Gins

#### PRINCIPAL RISKS, UNCERTAINTIES AND RISK MANAGEMENT

There are a number of risks and uncertainties which may affect the company's performance The company ensures that its exposure to a downturn in a particular trading sector is managed by continuing to broaden its activities both by depth of product range and geographically The company also has a wide range of customers which limits exposure to any material loss of revenue from any one specific source

The international nature of the company's operations creates exposure to currency risks, which are managed by financing investment in local financial instruments as appropriate

The financial risk management objectives of the company in relation to financial instruments are set by the director with a view to minimising the company's exposure to price, credit, liquidity and cashflow risks The use of derivative instruments is made to mitigate risks or enhance returns, subject to strict control of exposures

#### KEY PERFORMANCE INDICATORS

The directors of OISE Holdings Limited manage the group's operations on a divisional basis For this reason, the company's director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business of OISE Limited The key performance indicators of OISE Holdings Limited are discussed in the Directors' Report of the group's annual report, which does not form part of this report

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**OISE LIMITED**

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**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each person who was a director at the time when this report was approved

- so far as that director is aware, there is no relevant audit information of which the company's auditor were unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006.

**AUDITOR**

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 June 2012 and signed on its behalf



**T Gins**  
Director

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## **OISE LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OISE LIMITED**

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We have audited the financial statements of OISE Limited for the year ended 31 December 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 DIRECTOR AND AUDITOR**

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the director is 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 Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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OISE LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OISE LIMITED

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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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jonathan Talbot (Senior Statutory Auditor)

for and on behalf of

**Nexia Smith & Williamson**

Chartered Accountants & Statutory Auditors

Portwall Place

Portwall Lane

Bristol

BS1 6NA

28 June 2012

**OISE LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
<b>TURNOVER</b>	1	3,218,975	2,733,039
Administrative expenses		(3,003,528)	(2,705,709)
Onerous lease costs		-	(128,559)
Total administrative expenses		(3,003,528)	(2,834,268)
<b>OPERATING PROFIT/(LOSS)</b>	2	215,447	(101,229)
Dividends received		-	5,500,000
Interest receivable and similar income		51,638	6,945
Interest payable and similar charges	3	(185,597)	(222,032)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		81,488	5,183,684
Tax on profit on ordinary activities	7	(4,264)	(8,807)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		77,224	5,174,877

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

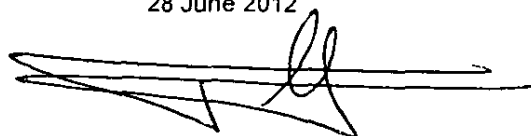
The notes on pages 8 to 19 form part of these financial statements

**OISE LIMITED**  
**REGISTERED NUMBER 01322002**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Tangible assets	9		2,354,884		2,416,725
Investments	10		7,867,333		7,867,233
			<u>10,222,217</u>		<u>10,283,958</u>
<b>CURRENT ASSETS</b>					
Debtors	11	9,913,969		3,967,493	
Cash at bank and in hand		793,683		3,033,828	
		<u>10,707,652</u>		<u>7,001,321</u>	
<b>CREDITORS</b> amounts falling due within one year	12	(9,675,924)		(5,864,502)	
<b>NET CURRENT ASSETS</b>			<u>1,031,728</u>		<u>1,136,819</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,253,945</u>		<u>11,420,777</u>
<b>CREDITORS</b> amounts falling due after more than one year	13		(1,309,000)		(1,426,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	14	(1,956)		(453)	
Other provisions	15	-		(128,559)	
			<u>(1,956)</u>		<u>(129,012)</u>
<b>NET ASSETS</b>			<u>9,942,989</u>		<u>9,865,765</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		950,000		950,000
Profit and loss account	18		8,992,989		8,915,765
<b>SHAREHOLDER'S FUNDS</b>	19		<u>9,942,989</u>		<u>9,865,765</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2012



**T Gins**  
**Director**

The notes on pages 8 to 19 form part of these financial statements

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## OISE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

##### 1.2 Consolidation

The director has taken advantage of the exemption not to prepare group financial statements as the company is a wholly owned subsidiary and the results of the company are included in the consolidated financial statements of its parent company. These accounts therefore present the results of the company as an individual entity.

##### 1.3 Cash flow statement

The director has taken advantage of the exemption in FRS 1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

##### 1.4 Turnover

Turnover represents rental income from subsidiary companies and income in respect of management charges made by the company to subsidiary companies to cover group running and management costs. Turnover represents income excluding Value Added Tax.

##### 1.5 Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Leasehold improvements	-	Over the period of the lease
Fixtures and equipment	-	10% - 25% straight line

Freehold land is not depreciated.

##### 1.6 Investments

Investments are included at cost less any impairment in value. Profits or losses arising from disposals of fixed asset investments are treated as part of the profit/loss on ordinary activities.

##### 1.7 Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date and is not discounted.

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OISE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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**1 ACCOUNTING POLICIES (continued)**

**1.8 Operating lease**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the period of the lease

**1.9 Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet 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.

**1.10 Pension costs**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. OPERATING PROFIT/(LOSS)**

The operating profit/(loss) is stated after charging

	2011 £	2010 £
Depreciation		
- Tangible fixed assets, owned	85,549	82,861
Auditor's remuneration	64,830	61,650
Auditors' remuneration - non-audit services	32,400	51,348
Exceptional administrative expenses	-	128,559
Operating lease rentals - land and buildings	129,150	111,807

The audit fee is in respect of the audit of the group accounts and each of the trading UK subsidiaries.

**3. INTEREST PAYABLE**

	2011 £	2010 £
On bank loans and overdrafts	185,597	222,032

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OISE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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4. STAFF COSTS

Staff costs, including director's remuneration, were as follows

	2011 £	2010 £
Wages and salaries	1,127,411	958,201
Social security costs	121,499	125,020
Other pension costs	49,396	48,038
	<u>1,298,306</u>	<u>1,131,259</u>

The average number of employees, including the director, during the year was as follows

	2011 No.	2010 No
Administration	<u>26</u>	<u>24</u>

5. DIRECTOR'S REMUNERATION

	2011 £	2010 £
Emoluments	<u>109,600</u>	<u>109,600</u>

The highest paid director received remuneration of £109,600 (2010 £109,600)

During the year the non-exective directors of OISE Holdings Limited invoiced the company £15,840 (2010 £15,510) in respect of services provided during the year

6 ONEROUS LEASE COSTS

In the prior year a provision was made for costs of £128,559 for an onerous lease held by The Gins Language Centre Inc, for which OISE Limited acted as guarantor. There is no such provision in the current year.

OISE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**7. TAXATION**

	2011 £	2010 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	2,761	3,150
<b>Deferred tax</b>		
Current year charge	1,536	5,472
Effect of decreased tax rate on opening asset	(33)	186
Adjustments in respect of prior periods	-	(1)
<b>Total deferred tax</b> (see note 14)	<u>1,503</u>	<u>5,657</u>
<b>Tax on profit on ordinary activities</b>	<u>4,264</u>	<u>8,807</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>81,488</u>	<u>5,183,684</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	21,594	1,451,432
<b>Effects of:</b>		
Expenses not deductible for tax purposes	32,157	61,665
Capital allowances for year in excess of depreciation	(1,629)	(5,676)
Impact of small companies tax rate	-	(1,050)
Dividends from UK companies	-	(1,540,000)
Group relief	(48,509)	36,779
Other differences leading to a decrease in the tax charge	(852)	-
<b>Current tax charge for the year</b> (see note above)	<u>2,761</u>	<u>3,150</u>

**Factors that may affect future tax charges**

Finance Act 2011 included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011 and to 25% from 1 April 2012, and its impact is reflected above

Finance Bill 2012 proposes a further reduction to 24% from 1 April 2012 with further annual reductions of 1% culminating in a rate of 22% on 1 April 2014. The full anticipated effect of the proposed changes combined with any reductions in the rates of capital allowances is not considered material

OISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

8. DIVIDENDS

	2011 £	2010 £
Dividends payable	-	500,000

9 TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Fixtures and equipment £	Total £
<b>Cost</b>				
At 1 January 2011	3,069,635	1,433	144,301	3,215,369
Additions	9,678	-	14,030	23,708
Disposals	-	(1,433)	-	(1,433)
At 31 December 2011	3,079,313	-	158,331	3,237,644
<b>Depreciation</b>				
At 1 January 2011	726,917	1,433	70,294	798,644
Charge for the year	65,999	-	19,550	85,549
On disposals	-	(1,433)	-	(1,433)
At 31 December 2011	792,916	-	89,844	882,760
<b>Net book value</b>				
At 31 December 2011	2,286,397	-	68,487	2,354,884
At 31 December 2010	2,342,718	-	74,007	2,416,725

10 INVESTMENTS

	Shares in unlisted group undertakings £
<b>Cost or valuation</b>	
At 1 January 2011	7,867,233
Additions	100
At 31 December 2011	7,867,333
<b>Net book value</b>	
At 31 December 2011	7,867,333
At 31 December 2010	7,867,233

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**OISE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**10 INVESTMENTS (continued)**

At 31 December 2011 the company held 20% or more of the issued share capital of the following trading companies

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Class of share</b>	<b>Held by parent</b>	<b>Held by group</b>	<b>Nature of business</b>
The Language School Company Limited	UK	Ordinary	100%	-	Language tuition
S E S Tutors Limited	UK	Ordinary	100%	-	Language tuition
The Education and Training Company Limited	UK	Limited by Guarantee	100%	-	Language tuition
Eckersley Oxford Limited	UK	Ordinary	100%	-	Language tuition
OISE @ Sherborne Priors Limited	UK	Ordinary	100%	-	Language tuition
L'Européenne de Sejours Linguistique SA	Switzerland	Ordinary	100%	-	Language tuition
Swissoise SA	Switzerland	Ordinary	-	100%	Language tuition
OISE Etudes Linguistiques SAS	France	Ordinary	-	100%	Language tuition
OISE Formation SARL	France	Ordinary	-	99.8%	Language tuition
OISE Sprachtraining (Deutschland) GmbH	Germany	Ordinary	-	100%	Language tuition
OISE Italy SRL	Italy	Ordinary	-	100%	Language tuition
OISE Australia Pty Limited	Australia	Ordinary	-	100%	Language tuition
OISE Boston Inc	USA	Ordinary	-	100%	Language tuition
ACE Consultores de Idiomas SA	Spain	Ordinary	-	100%	Language tuition
Canadoise Inc	Canada	Common	-	100%	Language tuition
Converse International School of Languages San Francisco LLC	USA	Ordinary	-	58.88%	Language tuition
OISE USA Inc	USA	Ordinary	-	100%	Holding Company

The financial positions and results of the above subsidiaries are included in the consolidated financial statements of the parent company, OISE Holdings Limited

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OISE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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11. DEBTORS

	2011 £	2010 £
Amounts owed by group undertakings	9,775,109	3,739,311
Other debtors	5,831	52,802
Prepayments	133,029	175,380
	<u>9,913,969</u>	<u>3,967,493</u>

12. CREDITORS:  
Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	117,000	117,000
Trade creditors	106,446	130,013
Amounts owed to group undertakings	8,866,275	4,922,934
Other creditors	159,058	257,517
Corporation tax	2,762	3,150
Other taxation and social security	197,104	180,161
Accruals	227,279	253,727
	<u>9,675,924</u>	<u>5,864,502</u>

Bank loans and overdrafts are secured by fixed charges over the property of group companies in the United Kingdom

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OISE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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**13 CREDITORS**

Amounts falling due after more than one year

	2011 £	2010 £
Bank loans	<u>1,309,000</u>	<u>1,426,000</u>

Included within the above are amounts falling due as follows

	2011 £	2010 £
<b>Between one and two years</b>		
Bank loans	<u>117,000</u>	<u>117,000</u>
<b>Between two and five years</b>		
Bank loans	<u>351,000</u>	<u>351,000</u>
<b>After five years</b>		
Bank loans	<u>841,000</u>	<u>958,000</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Repayable by instalments	<u>841,000</u>	<u>958,000</u>

The Fortis loan of £362,000 (2010 £403,000) is repayable in annual instalment and will be fully repaid in July 2020. The loan bears interest at a floating rate of 1% above the Fortis Bank base rate.

The Dunfermline loan of £1,064,000 (2010 £1,140,000) is repayable in annual instalments and will be fully repaid in June 2025. The loan bears interest at a variable rate of 1% above LIBOR.

Bank loans are secured by fixed charges over the property of group companies in the United Kingdom.

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OISE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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14. DEFERRED TAXATION

	2011 £	2010 £
Deferred tax asset/(liability) at beginning of year	453	(5,204)
Charge for year	1,503	5,657
Deferred tax asset at end of year	<u>1,956</u>	<u>453</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>1,956</u>	<u>453</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous Lease £
At 1 January 2011	128,559
Utilised in the year	<u>(128,559)</u>
At 31 December 2011	<u>-</u>

**Onerous Lease**

In 2010 a provision was made for costs of £128,559 which provided for an onerous lease held by The Gins Language Centre Inc, for which OISE Limited acted as guarantor. This was fully utilised during the year.

16. SHARE CAPITAL

	2011 £	2010 £
<b>Authorised share capital</b>		
50,000,000 Ordinary shares of 5p each	<u>2,500,000</u>	<u>2,500,000</u>
<b>Allotted, called up and fully paid</b>		
19,000,000 Ordinary shares of 5p each	<u>950,000</u>	<u>950,000</u>

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**OISE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**17. SHARE OPTIONS**

On 21 June 2005 C W Smith was granted share options on 1,000,000 shares at a price of 75p per share. The exercise period expired on 31 August 2011, with none of the options having been exercised. These options were felt to be of minimal value at 31 December 2010 and, as such, no cost was recognised in the profit and loss account and no liability was included in the balance sheet.

**18. PROFIT AND LOSS ACCOUNT**

	Profit and loss account £
At 1 January 2011	8,915,765
Profit for the year	77,224
	<hr/>
At 31 December 2011	8,992,989
	<hr/>

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2011 £	2010 £
Opening shareholder's funds	9,865,765	5,190,888
Profit for the year	77,224	5,174,877
Dividends (Note 8)	-	(500,000)
	<hr/>	<hr/>
Closing shareholder's funds	9,942,989	9,865,765
	<hr/>	<hr/>

**20. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2011 £	2010 £
<b>Expiry date</b>		
Within 1 year	91,800	-
Between 2 and 5 years	139,150	213,950
After more than 5 years	537,036	545,389
	<hr/>	<hr/>
Total	767,986	759,339
	<hr/>	<hr/>

**21. CONTINGENT LIABILITIES**

In the normal course of business, the company has provided an unlimited guarantee as valuable security in connection with the banking facilities of various subsidiary undertakings. At 31 December 2011 the amount outstanding was £nil (2010: £nil).

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## OISE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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#### 22. RELATED PARTY TRANSACTIONS

As a subsidiary of OISE Holdings Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by OISE Holdings Limited on the grounds that consolidated financial statements are publicly available from Companies House

At 31 December 2011 the company owed £158,686 (2010 £257,181) to Till Gins, a director of OISE Limited

During the year the company paid rent of £80,000 (2010 £80,000) to Till Gins and James Hay Pension Trustees Limited (Company Number 01435887), who are the trustees of the pension fund of Till Gins, a director of OISE Limited

During the year the company was charged £27,000 (2010 £13,500) by Lanleya Limited, a company owned by the shareholders of OISE Holdings Limited This charge related to the lease of a property from Lanleya Limited

During the year the company paid emoluments of £18,000 (2010 £18,000) to, and paid pension contributions of £17,000 (2010 £17,000) on behalf of, directors of OISE Holdings Limited The company was also invoiced £15,840 (2010 £15,510) for the services of Non-Executive directors

During the year OISE Limited loaned Lanleya Limited £1,110,000 (2010 £nil) This was fully repaid at the year end Interest of £24,712 on the loan was charged and paid during the year

#### 23. FINANCIAL INSTRUMENTS

The company's financial instruments, other than derivatives, comprise borrowings, cash at bank and various items including trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to fund the company's operations

The company also enters into derivative transactions These are forward foreign currency contracts, the purpose of which is to manage the currency risks arising from the company's operations It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken

##### Foreign exchange contracts

During the year ended 31 December 2011 the company entered several forward foreign exchange contracts As at the year end the company was contracted to sell up to €3,450,000 at 1.15 / £1 and €1,014,750 at 1.1275 / £1 The future obligation will depend on the future spot rate in relation to contracted forward rates

The fair value of these derivatives at 31 December 2011 was a gain of £170,673 Given the level of uncertainty attributable to future exchange rate movements the gain has not been recognised in the financial statements

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**OISE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**24. INTEREST RATE RISK**

Due to the seasonal nature of its business the company's exposure to interest rate risk is limited. At different times in the year the company finances its operations through a mixture of retained profits and bank borrowings or surplus cash.

For the financing of freehold property the company borrows at floating rates of interest.

**25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The director considers the ultimate controlling party to be Mr T Gins by virtue of his shareholding in OISE Holdings Limited, the company's ultimate holding company.

The largest and smallest group of companies for which group financial statements are drawn up is that headed by OISE Holdings Limited. Consolidated accounts of OISE Holdings Limited are available from Companies House.