

OISE Limited  
FINANCIAL STATEMENTS  
for the year ended  
31 December 2013

TUESDAY



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COMPANIES HOUSE

# OISE Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTOR

T Gins

### SECRETARY

Diamond College Limited

### REGISTERED OFFICE

38 Binsey Lane  
Oxford  
OX2 0EY

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
Hartwell House  
55-61 Victoria Street  
Bristol  
BS1 6AD

### BANKERS

HSBC Bank Plc  
Apex Plaza  
Reading  
Berkshire  
RG1 1AX

# OISE Limited

## STRATEGIC REPORT

for the year ended 31 December 2013

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### REVIEW OF THE BUSINESS

A detailed review of the OISE group business activity in the period, including future developments, can be seen in the Directors' Report of the consolidated financial statements of the company's parent, OISE Holdings Limited.

### 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 consolidated financial statements of that company.

### MATTERS OF STRATEGIC IMPORTANCE

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.

Signed by



T Gins  
Director

22 SEPTEMBER 2014

# OISE Limited

## DIRECTOR'S REPORT

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The director submits his report and financial statements of OISE Limited for the year ended 31 December 2013.

### PRINCIPAL ACTIVITY

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

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £97,615 (2012 - profit £49,425). The director has not recommended a dividend.

### FUTURE DEVELOPMENTS

Details of future developments can be seen in the Directors' Report of the consolidated financial statements of the company's parent, OISE Holdings Limited.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 cash flow risks. The use of derivative instruments is made to mitigate risks or enhance returns, subject to strict control of exposures.

### DIRECTOR

The director who served the company during the year was as follows:

T Gins

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

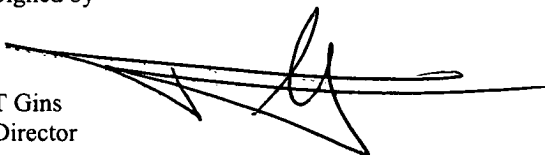
The director who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office and its reappointment will be proposed in accordance with section 485 of the Companies Act 2006.

Signed by

T Gins  
Director



22 SEPTEMBER 2014

# OISE Limited

## DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The director is responsible for preparing the Strategic Report and 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 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 those financial statements, the director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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. The director 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF OISE LIMITED

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We have audited the financial statements on pages 6 to 17. 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of director and auditor**

As more fully explained in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the Annual Report, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the 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 2013 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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.

*Baker Tilly UK audit LLP.*

HEATHER WHEELHOUSE (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Hartwell House  
55-61 Victoria Street  
Bristol BS1 6AD

*29 September 2014.*

**OISE Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2013

		2013	2012
	<i>Notes</i>	£	£
TURNOVER	2	3,328,094	3,010,792
Administrative expenses		(3,165,697)	(2,797,988)
OPERATING PROFIT	3	162,397	212,804
Interest receivable		8,542	17,516
		170,939	230,320
Interest payable and similar charges	6	(70,261)	(181,003)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		100,678	49,317
Taxation	7	(3,063)	108
PROFIT FOR THE FINANCIAL YEAR	19	97,615	49,425

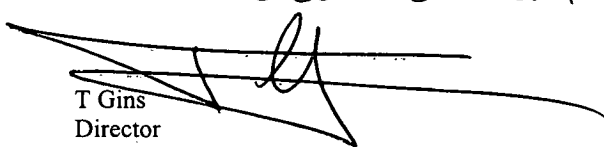
The profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

**OISE Limited**  
**BALANCE SHEET**  
**31 December 2013**

	<i>Notes</i>	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,234,535	2,307,124
Investments	9	7,941,145	7,867,333
		<u>10,175,680</u>	<u>10,174,457</u>
<b>CURRENT ASSETS</b>			
Debtors	10	12,764,633	11,850,930
Cash at bank and in hand		2,020,686	1,012,289
		<u>14,785,319</u>	<u>12,863,219</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(13,795,970)	(11,853,262)
<b>NET CURRENT ASSETS</b>		<u>989,349</u>	<u>1,009,957</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,165,029</u>	<u>11,184,414</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(1,075,000)	(1,192,000)
		<u>10,090,029</u>	<u>9,992,414</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	950,000	950,000
Profit and loss account	19	9,140,029	9,042,414
<b>SHAREHOLDER'S FUNDS</b>	20	<u>10,090,029</u>	<u>9,992,414</u>

The financial statements on pages 6 to 17 were approved and signed by the director and authorised for issue on  
 ..... 22 SEPTEMBER 2014

  
 T Gins  
 Director



# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

#### 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.

#### CASH FLOW STATEMENT

The director has taken advantage of the exemption in FRS1 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.

#### 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.

#### FIXED ASSETS

All fixed assets are initially recorded at cost.

#### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Fixtures and equipment	- 10%-25% straight line

Freehold land is not depreciated.

#### 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.

#### OPERATING LEASE AGREEMENTS

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.

#### 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.

# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

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### 1 ACCOUNTING POLICIES *(continued)*

#### 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. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

### 2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2013	2012
	£	£
United Kingdom	<u>3,328,094</u>	<u>3,010,792</u>

Turnover includes rental income of £224,700 (2012: £224,000) arising under operating leases.

### 3 OPERATING PROFIT

Operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of owned fixed assets	88,644	89,493
Auditor's remuneration for statutory audit	54,000	60,000
Auditor's remuneration for other services	24,000	18,000
Operating lease rentals - land and buildings	<u>107,000</u>	<u>107,000</u>

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

#### Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2013	2012
	£	£
Audit	54,000	60,000
Accountancy	6,000	6,000
Taxation	<u>18,000</u>	<u>12,000</u>
	<u>78,000</u>	<u>78,000</u>

# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was:

	2013	2012
	No	No
Administrative	<u>27</u>	<u>29</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	1,041,424	1,141,296
Social security costs	110,355	128,753
Other pension costs	44,510	46,019
	<u>1,196,289</u>	<u>1,316,068</u>

### 5 DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	<u>109,600</u>	<u>109,600</u>

In addition, during the year the non-executive directors of OISE Holdings Limited invoiced the company £18,122 (2012: £15,870) in respect of services provided during the year, and the company made pension contributions of £17,000 (2012: £17,000). One director (2012: one) accrued benefits under a defined contribution pension arrangement.

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
On bank loans and overdrafts	<u>70,261</u>	<u>181,003</u>

### 7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2012 - 24%)	2,609	2,609
Total current tax	<u>2,609</u>	<u>2,609</u>
Deferred tax:		
Origination and reversal of timing differences	454	(2,717)
Tax on profit on ordinary activities	<u>3,063</u>	<u>(108)</u>

# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

### 7 TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2012 - 24%), as explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>100,678</u>	<u>49,317</u>
Profit on ordinary activities by rate of tax	20,136	12,082
Effects of:		
Expenses not deductible for tax purposes	17,230	20,194
Capital allowances (in excess of)/less than depreciation	(355)	788
Group relief	(34,402)	(29,868)
Profits taxed at the small companies rate	-	(587)
Total current tax (note 7(a))	<u>2,609</u>	<u>2,609</u>

#### (c) Factors that may affect future tax charges

The main rate of corporation tax is expected to reduce to 20% by 1 April 2015. The 21% rate for 2014 and the 20% rate for 2015 were substantively enacted in July 2013.

### 8 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and equipment £	Total £
Cost			
At 1 January 2013	3,088,991	190,386	3,279,377
Additions	9,678	6,377	16,055
At 31 December 2013	<u>3,098,669</u>	<u>196,763</u>	<u>3,295,432</u>
Depreciation			
At 1 January 2013	860,109	112,144	972,253
Charge for the year	68,908	19,736	88,644
At 31 December 2013	<u>929,017</u>	<u>131,880</u>	<u>1,060,897</u>
Net book value			
At 31 December 2013	<u>2,169,652</u>	<u>64,883</u>	<u>2,234,535</u>
At 31 December 2012	<u>2,228,882</u>	<u>78,242</u>	<u>2,307,124</u>

The company's freehold property and related fixtures and equipment are let to other group companies under operating leases for which rental income is received as disclosed in note 2.

# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2013

#### 9 INVESTMENTS

	Shares in unlisted group undertakings £
Cost	
At 1 January 2013	7,867,333
Additions	73,812
At 31 December 2013	<u>7,941,145</u>
Net book value	
At 31 December 2013	<u>7,941,145</u>
At 31 December 2012	<u>7,867,333</u>

Additions to shares in unlisted group undertakings reflect an adjustment in respect of L'Européenne de Sejours Linguistique SA. This amount was previously recorded elsewhere in the group headed by OISE Holdings Limited. There has been no change in the company's effective holding.

At 31 December 2013 the company held 20% or more of the issued share capital of the following trading companies:

#### *Held directly*

	Country of incorporation	Class of share	Holding	Nature of business
Instill Education Limited	United Kingdom	Ordinary	100%	Language tuition
S.E.S. Tutors Limited	United Kingdom	Ordinary	100%	Language tuition
The Education and Training Company Limited	United Kingdom	Limited by guarantee	100%	Language tuition
Eckersley Oxford Limited	United Kingdom	Ordinary	100%	Language tuition
OISE @ Sherbourne Priors Limited	United Kingdom	Ordinary	100%	Language tuition
L'Européenne de Sejours Linguistique SA	- Switzerland	Ordinary	100%	Language tuition

# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

### 9 INVESTMENTS *(continued)*

#### *Held indirectly*

	Country of incorporation	Class of share	Holding	Nature of business
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
OISE USA Inc	USA	Ordinary	100%	Holding company
Converse International School of Languages San Francisco LLC	USA	Ordinary	58.88%	Language tuition

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

### 10 DEBTORS

	2013	2012
	£	£
Amounts owed by group undertakings	12,548,232	11,723,808
Corporation tax repayable	4,542	—
Other debtors	8,489	2,232
Prepayments and accrued income	203,063	124,129
Deferred taxation (note 11)	307	761
	<u>12,764,633</u>	<u>11,850,930</u>

**OISE Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2013

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**11 DEFERRED TAXATION**

The deferred taxation included in the balance sheet is as follows:

	2013	2012
	£	£
Included in debtors (note 10)	<u>307</u>	<u>761</u>

The movement in the deferred taxation account during the year was:

	2013	2012
	£	£
Balance brought forward	761	(1,956)
Profit and loss account movement arising during the year	<u>(454)</u>	<u>2,717</u>
Balance carried forward	<u>307</u>	<u>761</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Excess of depreciation over taxation allowances	<u>307</u>	<u>761</u>
	<u>307</u>	<u>761</u>

**12 CREDITORS: Amounts falling due within one year**

	2013	2012
	£	£
Bank loans and overdrafts	3,098,729	1,642,380
Trade creditors	110,441	93,368
Amounts owed to group undertakings	9,906,612	9,750,914
Corporation tax	—	2,609
PAYE and social security	144,291	166,651
VAT	436	473
Other creditors	423,907	66,674
Accruals and deferred income	<u>111,554</u>	<u>130,193</u>
	<u>13,795,970</u>	<u>11,853,262</u>

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

**13 CREDITORS: Amounts falling due after more than one year**

	2013	2012
	£	£
Bank loans	<u>1,075,000</u>	<u>1,192,000</u>

The Fortis loan of £280,000 (2012: £321,000) is repayable in annual instalments 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 £912,000 (2012: £988,000) 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.

# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

### 14 MATURITY OF LOANS

Bank loans due after more than one year are due for repayment as follows:

	2013	2012
	£	£
Amounts repayable:		
In more than one year but not more than two years	117,000	117,000
In more than two years but not more than five years	351,000	351,000
In more than five years	607,000	724,000
	<u>1,075,000</u>	<u>1,192,000</u>

### 15 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
Within 1 year	4,875	-
Within 2 to 5 years	-	27,000
After more than 5 years	80,000	80,000
	<u>84,875</u>	<u>107,000</u>

### 16 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 the parent undertaking OISE Holdings Limited and other group companies. At 31 December 2013 the amount outstanding was £nil (2012: £nil).

### 17 RELATED PARTY TRANSACTIONS

As a wholly-owned subsidiary in the group headed by OISE Holdings Limited the company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' and has not disclosed details of transactions with other wholly-owned subsidiaries in that group.

During the year the company maintained a loan account with Till Gins, a director of OISE Limited, who settled various expenses on behalf of the company. At 31 December 2013 the company owed Till Gins £393,827 (2012: £66,505).

During the year the company paid rent of £80,000 (2012: £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 (2012: £27,000) 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 (2012: £18,000) to, and paid pension contributions of £17,000 (2012: £17,000) on behalf of, directors of OISE Holdings Limited. The company was also invoiced £18,122 (2012: £15,870) for the services of non-executive directors. At 31 December 2013 the balance outstanding was £nil (2012: £nil).



# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2013

### 18 SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid: 19,000,000 Ordinary shares of £0.05 each	<u>950,000</u>	<u>950,000</u>

### 19 PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At the beginning of the year	9,042,414	8,992,989
Profit for the financial year	<u>97,615</u>	<u>49,425</u>
At the end of the year	<u>9,140,029</u>	<u>9,042,414</u>

### 20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013 £	2012 £
Profit for the financial year	97,615	49,425
Opening shareholder's funds	<u>9,992,414</u>	<u>9,942,989</u>
Closing shareholder's funds	<u>10,090,029</u>	<u>9,992,414</u>

### 21 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 2013 the company entered several forward foreign exchange contracts. As at the year end the company was contracted to sell up to €7,024,500 at €/£ rates of between 1.13900 and 1.22000, to sell up to €1,250,000 at €/£ rates of between 1.31230 and 1.35750, and to buy up to €1,699,000 at a €/£ rate of 1.20000. 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 2013 was a gain of £150,320. Given the level of uncertainty attributable to future exchange rate movements the gain has not been recognised in the financial statements.

### 22 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.

# OISE Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

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### 23 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate and ultimate parent company is OISE Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

OISE Holdings Limited heads the largest and smallest group for which consolidated financial statements are drawn up. The consolidated accounts of OISE Holdings Limited are available from Companies House.

The ultimate controlling party is T Gins who owns 70% of the issued share capital of OISE Holdings Limited.