

Company registration number: 02192234

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

Directors' report and financial statements

For the year ended 31 May 2006



OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

COMPANY INFORMATION

Directors	R P Hodson S Shaw
Secretary	S B Benev
Company number	02192234
Registered office	9 South Parade Wakefield West Yorkshire WF1 1LR
Bankers	Barclays Bank plc 2 nd Floor 1 Park Row Leeds LS1 5WU
Solicitors	Dundas Wilson Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Auditors	Mazars LLP 24 Bevis Marks London EC3A 7NR

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

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OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2006

The directors present their report together with the audited financial statements for the year ended 31 May 2006.

Principal activities, review of business and future developments

The principal activity of the company during the year was that of life insurance, pensions, pension scheme administration and investment business.

The directors are satisfied with the results for the year.

On 29 September 2005, the company changed its name to Oval Financial Services Limited.

On 30 September 2005, the trade and net assets of a fellow subsidiary R P Hodson (Financial Services) Limited were transferred into this company. This was followed on 8 December 2005 by the trade and net assets of a newly acquired fellow subsidiary, Williams & Williams (IFA) Limited.

Enhance business review

The year ended 31 May 2006 has been a period of continued expansion and progress for the Company.

The main objectives throughout have been the continuance of the Oval Group acquisition policy combined with maintaining focus on the provision of a market leading, overall financial services package. Significant advances have been made in both areas.

New acquisitions by the Oval Group and the restructuring of relevant business units has contributed to the company turnover increasing from just below £8.2 million for the seventeen months ended 31 May 2005 to almost £8.7 million in the twelve months ended 31 May 2006.

Our combined size has enabled us to attract and develop highly experienced specialist teams who have ensured that our client retention rate is one of the highest in the sector. This has been achieved by offering clients the expertise and buying power that expansion brings, together with the personal service that only local, well-established business can provide. Our specialist services, including wealth management and pension administration, ensure that we are well on our way to providing the ultimate risk management solution within the Oval Group.

Financial Highlights

- Turnover increased from £8.16 million to £8.67 million. Acquisitions contributed £0.23 million of this increase, with Oval's established businesses contributing the balance.
- Operating profit – before exceptional staff costs incurred last year - increased by 27% from £0.98 million to £1.23 million as did profit before tax.
- EBITDA for the year ended 31 May 2006 was £1.28million, 22% higher than the £1.05 million achieved in the previous year, again after adjusting for non-recurring exceptional staff costs last year.
- The average number of employees within the company has increased, both via acquisitions and organic growth, from 76 during the period ended 31 May 2005, to 88 this year, with headcount ending the year at 120.

Integrated operations and acquisitions

On 30 September 2005, the trade and net assets of R P Hodson (Financial Services) Limited were transferred to the company as part of a Group restructuring. This business has contributed over £2 million of additional turnover in the eight months to 31 May 2006, and almost £0.3 million in operating profit.

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

DIRECTORS' REPORT (*Continued...*)

FOR THE YEAR ENDED 31 MAY 2006

In December 2005, the Oval Group cemented its status in Leicester and the East Midlands with the acquisition of Williams & Williams. This further strengthened our management team in Leicester, whilst simultaneously enhancing the group's risk management and independent financial advisory business. The trade and net assets of Williams & Williams (IFA) Limited were immediately transferred to the company and the financial services operations have now been successfully integrated.

These operations have brought market-leading resources to Oval Financial Services Limited by way of experience, expertise and reputation, thereby enhancing the brand further and helping to create a competitive edge. At the same time our advisors have maintained exceptional levels of personal client service throughout all regions of the Oval Group.

In early 2006, the Oval Group secured a significant amount of new debt funding to support its planned development. Oval's acquisition policy is set to continue throughout the forthcoming year, with negotiations currently in progress with several high-quality, hand picked financial service and general insurance brokers around the country.

Further information regarding the development and performance of the Group can be found in the Chairman's statement on page 1 of the financial statements of Oval Limited.

Principle risk exposures and associated mitigating procedures

The activities of the company expose it to a variety of risks, both financial and operational. Those which have a material impact on the company are as follows:

Performance risk: The company may under-perform its chosen benchmarks. To mitigate this risk, performance in all areas of the business is monitored on a monthly basis, allowing remedial action to be taken when necessary.

Operational risk: The business is exposed to the risk of disruption to its operations arising from systems failures or management stretch. This risk is mitigated by ensuring the business has a strong and capable senior management team, ensuring that acquisitions are planned to minimise disruption and putting in place appropriate disaster recovery plans.

Regulatory risk: The company requires FSA approval to undertake its Financial Services business and a breach of the FSA's rules might lead to the withdrawal of this approval. Oval continues to mitigate this risk by way of an experienced and dedicated compliance team.

Banking risk: A breach of Oval Group's loan covenants might lead to funding being withdrawn. This risk is mitigated by closely monitoring performance against these covenants.

Reputational risk: Inadequate service levels within the business may result in breaches of client and business partner trust and confidence as well as regulatory infringements. Our client-first culture coupled with continuous training and development programme assist in managing this risk

All risk exposures are monitored by the Board regularly, with the prime focus being on performance and strategy issues surrounding the mitigation and management of these above risks at an acceptable level.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

No dividends were paid during the year and the directors do not recommend a final dividend.

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

DIRECTORS' REPORT (*Continued...*)

FOR THE YEAR ENDED 31 MAY 2006

Directors and their interests

The directors who served during the year and their beneficial interests in the share capital of the company, at the beginning of the year, or subsequent date of appointment, and at the end of the year were as follows:

Oval Financial Services Limited	
Ordinary £1 shares	
	31 May 2006
	1 June 2005 or subsequent date of appointment
R P Hodson	-
S Shaw (appointed 30 May 2006)	-
	<u> </u>

The directors' beneficial interests in the share capital of the ultimate parent company, Oval Limited, at the beginning of the year, or subsequent date of appointment, and at the end of the year were as follows:

Oval Limited			
Ordinary 1p shares		Founder 1p shares	
	31 May 2006	1 June 2005	31 May 2006
			1 June 2005
R P Hodson	4,712,702	4,712,702	3,500,000
S Shaw (appointed 30 May 2006)	-	-	-
	<u> </u>	<u> </u>	<u> </u>

P A Bland, S M Bright and A J Durant also served as directors during the year resigning on 31 October 2005, 2 February 2006 and 31 May 2006 respectively.

Responsibilities of the directors

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 and of the profit or loss of the company for that year. 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;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements
- 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 maintaining 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

DIRECTORS' REPORT (*Continued...*)

FOR THE YEAR ENDED 31 MAY 2006

Director's indemnity

The company had Directors' and Officers' Insurance in place via a group policy in Oval Limited.

Auditors

A resolution to re-appoint Mazars LLP as auditors will be proposed at the Annual General Meeting.

Information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 8 September 2006 and signed on its behalf by:



S B Benev
Company Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)**

We have audited the financial statements of Oval Financial Services Limited (formerly Bland Bankart Financial Services Limited) for the year ended 31 May 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member 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 member those matters we are required to state to it 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 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you 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 report to you whether in our opinion the information given in the Board Report is consistent with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its profit for the year and have been properly prepared in accordance with the Companies Act 1985
- the information given in the Board Report is consistent with the financial statements.


MAZARS LLP

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

24 Bevis Marks

London

EC3A 7NR

Date: 8 September 2006

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2006

	Notes	12 months ended 31 May 2006 £	17 months ended 31 May 2005 £
Turnover	2	8,665,323	8,157,147
Cost of sales		(97,589)	(14,004)
Gross profit		8,567,734	8,143,143
Administrative expenses		(7,328,082)	(7,166,090)
Exceptional staff costs	3	-	(563,491)
Operating profit	5	1,239,652	413,562
Interest payable and similar charges	6	(6,557)	(1,410)
Interest receivable and similar income	7	193	-
Profit on ordinary activities before taxation		1,233,288	412,152
Taxation on profit on ordinary activities	8	(184,360)	(190,333)
Profit on ordinary activities after taxation	16	1,048,928	221,819

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the result for the year.

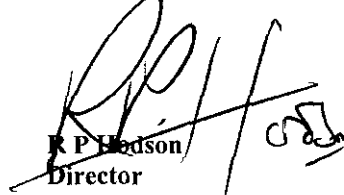
OVAL FINANCIAL SERVICES LIMITED
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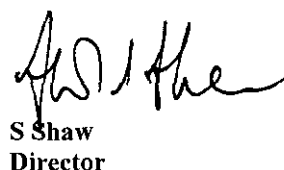
BALANCE SHEET

AS AT 31 MAY 2006

	Notes	31 May 2006 £	31 May 2005 £
Fixed assets			
Intangible assets	9	23,998	-
Tangible assets	10	104,783	58,112
		<u>128,781</u>	<u>58,112</u>
Current assets			
Debtors	11	2,063,833	1,642,087
Cash at bank and in hand		1,352,037	42,065
		<u>3,415,870</u>	<u>1,684,152</u>
Creditors: amounts falling due within one year	12	(1,667,629)	(954,813)
Net current assets		<u>1,748,241</u>	<u>729,339</u>
Total assets less current liabilities		<u>1,877,022</u>	<u>787,451</u>
Creditors: amounts falling due after one year	13	(40,643)	-
Net assets		<u><u>1,836,379</u></u>	<u><u>787,451</u></u>
Capital and reserves			
Called up equity share capital	15	125,000	125,000
Profit and loss account	16	1,711,379	662,451
Shareholder's funds	16	<u><u>1,836,379</u></u>	<u><u>787,451</u></u>

The financial statements were approved by the Board on 8 September 2006 and signed on its behalf by:


R P Hedson
Director


S Shaw
Director

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2006

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention.

Compliance with accounting standards

The accounts have been prepared in accordance with applicable United Kingdom accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement on the grounds that the company is a wholly owned subsidiary and the ultimate parent company published consolidated financial statements.

Turnover

In accordance with FRS 5, Application Note G, income relating to financial services commission arising on transactions in life and pension contracts is recognised once the policy has incepted and placement services are substantially complete. Renewal commission is recognised at the date of settlement by the life and pensions company. Commission received on indemnity terms is recognised in full at the date receivable. Full provision is made for the claw back of indemnity commission immediately a policy lapse has been identified.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Leasehold property	straight line over period of lease
Computer equipment	25% straight line
Fixtures, fittings and equipment	10-33.33% straight line
Motor vehicles	25% reducing balance

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes in accordance with FRS 19.

Leased assets

All the leases of the company are regarded as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Defined contribution scheme

Contributions payable to the company's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

Defined benefit scheme

Payments made by the company to the Bland Bankart Retirement Benefit Scheme defined benefit pension scheme are charged to the profit and loss account as incurred. Further details of the scheme are set out in note 18.

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS (Continued...)

FOR THE YEAR ENDED 31 MAY 2006

2. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3. Employee costs

	12 months to 31 May 2006	17 months to 31 May 2005
	£	£
Wages and salaries	3,984,248	3,793,897
Social security costs	418,003	380,398
Other pension costs	290,424	258,053
Exceptional items:		
Bonus payments crystallised on sale of company	-	563,491
	<u>4,692,675</u>	<u>4,995,839</u>

Number of employees

The average monthly number of employees (including directors) during the year was:

	31 May 2006 Number	31 May 2005 Number
Management and administration	<u>88</u>	<u>76</u>

4. Directors' emoluments

	12 months to 31 May 2006	17 months to 31 May 2005
	£	£
Remuneration in respect of directors was as follows:		
Emoluments for qualifying services	282,107	747,537
Compensation for loss of office	31,440	-
Company pension contributions to defined contribution scheme	12,199	-
	<u>325,746</u>	<u>747,537</u>
Emoluments as above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	325,746	674,692
Contributions to defined contribution pension scheme	12,199	-
	<u>337,945</u>	<u>674,692</u>

Benefits were accruing to no (2005: 3) directors under the defined contribution pension scheme.

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS (Continued...)

FOR THE YEAR ENDED 31 MAY 2006

5. Operating profit

Operating profit is stated after charging:

	12 months to 31 May 2006 £	17 months to 31 May 2005 £
Depreciation of tangible assets - owned	43,980	71,537
Amortisation of intangible fixed assets	728	-
Auditors' remuneration - audit services	19,680	20,475
Hire of plant and machinery – operating leases	5,728	10,463
Hire of other assets – operating leases	340,282	262,922
Exceptional items:		
Bonus payments crystallised on sale of company	-	563,491
	<u>=====</u>	<u>=====</u>

6. Interest payable and similar charges

Bank interest payable	3,412	1,410
Loan interest	3,145	-
	<u>-----</u>	<u>-----</u>
	6,557	1,410
	<u>=====</u>	<u>=====</u>

7. Interest receivable and similar income

Interest receivable	193	-
	<u>=====</u>	<u>=====</u>

8. Taxation on profit on ordinary activities

(a) Analysis of charge in the year

Current tax:

In respect of the year:

UK corporation tax based on the results for the year	176,466	200,000
Adjustment in respect of prior periods	-	748
	<u>-----</u>	<u>-----</u>
Total current tax (see (b) below)	176,466	200,748

Deferred tax:

Origination and reversal of timing differences	7,894	(10,415)
	<u>-----</u>	<u>-----</u>
	184,360	190,333
	<u>=====</u>	<u>=====</u>

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS (Continued...)

FOR THE YEAR ENDED 31 MAY 2006

8. Taxation on profit on ordinary activities (Continued...)

(b) Factors affecting tax charge for the year

	12 months to 31 May 2006 £	17 months to 31 May 2005 £
Profit on ordinary activities before taxation	1,233,288	412,152
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	369,986	123,646
Effects of:		
Expenses not deductible for tax purposes	8,898	12,112
Depreciation in excess of (below) capital allowances	314	(2,448)
Income not subject to corporation tax	(4,207)	-
Prior year adjustment	-	53,828
Short term timing differences	-	12,862
Group relief	(136,741)	-
Adjustment in respect of prior period	(63,534)	748
Over provision of current year tax	1,750	-
Current tax charge for period (see (a) above)	176,466	200,748

(c) Factors that may affect future tax charges

The deferred tax asset arises as the company has claimed cumulative capital allowances which are lower than the cumulative depreciation charge.

Based upon the current capitalisation policy the company expects to continue to claim allowances which are lower than the combined depreciation charge and capital expenditure write offs of future years.

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS (Continued...)

FOR THE YEAR ENDED 31 MAY 2006

9. Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2005	-
Transfer from group undertakings	32,723
	<hr/>
At 31 May 2006	32,723
	<hr/>
Amortisation	
At 1 June 2005	-
Charge for the year	728
Transfer from group undertakings	7,997
	<hr/>
At 31 May 2006	8,725
	<hr/>
Net book value	
At 31 May 2006	23,998
	<hr/>
At 31 May 2005	-
	<hr/>

10. Tangible fixed assets

	Leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 June 2005	69,652	588,827	-	658,479
Additions	-	52,139	-	52,139
Transfer from group undertakings	21,885	287,122	16,250	325,257
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2006	91,537	928,088	16,250	1,035,875
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation				
At 1 June 2005	61,524	538,843	-	600,367
Charge for the year	8,128	35,677	175	43,980
Transfer from group undertakings	21,885	253,391	11,469	286,745
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2006	91,537	827,911	11,644	931,092
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 May 2006	-	100,177	4,606	104,783
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2005	8,128	49,984	-	58,112
	<hr/>	<hr/>	<hr/>	<hr/>

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS (Continued...)

FOR THE YEAR ENDED 31 MAY 2006

11. Debtors

	31 May 2006 £	31 May 2005 £
Trade debtors	1,786,087	928,193
Amounts owed by group undertakings	-	427,570
Other debtors	23,421	108,740
Deferred tax asset	28,980	37,556
Prepayments and accrued income	225,345	140,028
	<u>2,063,833</u>	<u>1,642,087</u>

Except for the deferred tax asset, all amounts shown as debtors above fall due for payment within one year.

12. Creditors: amounts falling due within one year

Bank loan	38,827	-
Trade creditors	161,701	52,662
Amounts owed by group undertakings	66,870	-
Taxation and social security	258,145	168,687
Corporation tax	252,232	281,748
Accruals and deferred income	889,854	451,716
	<u>1,667,629</u>	<u>954,813</u>

13. Creditors: amounts falling due after one year

Bank loan	40,643	-
	<u>40,643</u>	<u>-</u>

14. Analysis of maturity of debt

Bank loan	79,470	-
	<u>79,470</u>	<u>-</u>
Due within one year	38,827	-
Due within two to five years	40,643	-
	<u>79,470</u>	<u>-</u>

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS (Continued...)

FOR THE YEAR ENDED 31 MAY 2006

15. Share capital

	31 May 2006 £	31 May 2005 £
Authorised		
250,000 Ordinary shares of £1 each	250,000	250,000
	=====	=====
Allotted, called up and fully paid		
125,000 Ordinary shares of £1 each	125,000	125,000
	=====	=====

16. Reconciliation of movements in shareholder's funds

	Share capital £	Profit and loss account £	Total £
Opening shareholder's funds	125,000	662,451	787,451
Profit for the year	-	1,048,928	1,048,928
	-----	-----	-----
Closing shareholder's funds	125,000	1,711,379	1,836,379
	=====	=====	=====

17. Other financial commitments

At 31 May 2006 the company was committed to make the following payments under non-cancellable operating leases in the year to 31 May 2007:

	31 May 2006		31 May 2005	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expires:				
Within one to two years	-	3,535	-	7,836
Within two to five years	-	3,675	-	-
After five years	81,250	-	68,500	-
	-----	-----	-----	-----
	81,250	7,210	68,500	7,836
	=====	=====	=====	=====

OVAL FINANCIAL SERVICES LIMITED
(formerly Bland Bankart Financial Services Limited)

NOTES TO THE FINANCIAL STATEMENTS (Continued...)

FOR THE YEAR ENDED 31 MAY 2006

18. Pension costs

Defined contribution scheme

The company makes contributions for the benefit of certain directors. The assets of the company are administered by the trustees in a fund independent from those of the company.

	31 May 2006	31 May 2005
	£	£
Contributions payable by the company for the year	290,424	258,053
	<u>=====</u>	<u>=====</u>

Defined benefit schemes

Certain employees of the Company participate in the Bland Bankart Retirement Benefit Scheme. The Bland Bankart Retirement Benefit Scheme is a defined benefit scheme of which Oval Financial Services Limited is one of several participating employers. The assets are held in external funds invested by professional investment managers. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Therefore the scheme is accounted for as if it were a defined contribution scheme and the profit and loss account charge for the year under both SSAP24 and FRS17 represents the employer contribution payable.

Pension costs are assessed in accordance with the advice of independent qualified actuaries.

The most recent actuarial valuation for the scheme was at 31 May 2005.

Further information on this scheme is included in the financial statements of Oval Limited.

19. Related party transactions

The company has taken advantage of the exemption under FRS8, and not disclosed transactions with other wholly owned group companies, on the grounds that consolidated financial statements are produced by the company's ultimate parent company, Oval Limited.

During the year the company paid rent of £8,500 for the use of a property, which is owned by a company controlled by R P Hodson.

20. Contingent liabilities

Barclays Bank Plc, as Security Agent, hold an unlimited cross guarantee over all of the trading subsidiaries of the group and a mortgage debenture that creates a fixed and floating charge over all the assets of the subsidiaries.

21. Parent undertaking and ultimate controlling party

The company is a wholly owned subsidiary of Oval Management Services Limited (formerly Bland Bankart Limited), which in turn is a wholly owned subsidiary of Oval Limited, the ultimate parent company. Copies of the consolidated financial statements of Oval Limited are available from Companies House.