

Company registration number: 02288983

MALYON LESTRANGE INSURANCE SERVICES LIMITED

Director's report and financial statements

For the year ended 31 May 2007

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MALYON LESTRANGE INSURANCE SERVICES LIMITED

COMPANY INFORMATION

Director	R P Hodson
Secretary	S B Benev
Company number	02288983
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

MALYON LESTRANGE INSURANCE SERVICES LIMITED

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MALYON LESTRANGE INSURANCE SERVICES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2007

The director presents his report together with the audited financial statements for the year ended 31 May 2007

Principal activities, review of business and future developments

The company remained dormant throughout the year

It is not anticipated that the company will trade in the future and, in the director's opinion, the company is not exposed to financial or other risks as it no longer has monetary assets or liabilities

Director

The director who served during the year was as follows

R P Hodson

Responsibilities of the director

Company law requires the director 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 director is 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 director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. 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.

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

MALYON LESTRANGE INSURANCE SERVICES LIMITED

DIRECTORS' REPORT *(Continued...)*

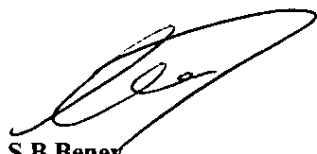
FOR THE YEAR ENDED 31 MAY 2007

Information to auditors

In the case of the person who is a director of the company at the date when this report was approved

- so far as he is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- he 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 9 October 2007 and signed on its behalf by



S B Benev
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF MALYON LESTRANGE INSURANCE SERVICES LIMITED

We have audited the financial statements of Malyon Lestrangle Insurance Services Limited for the year ended 31 May 2007 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 the director and auditors

As described in the Statement of Director's Responsibilities the company's director is 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 director's remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement.

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 director 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 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.


MAZARS LLP
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
24 Bevis Marks
London
EC3A 7NR

Date: 9 October 2007

MALYON LESTRANGE INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2007

	Notes	12 months ended 31 May 2007 £	14 months ended 31 May 2006 £
Turnover	2	-	1,744,534
Administrative expenses		-	(1,381,091)
Other operating income		-	3,120
		-----	-----
Operating profit	3	-	366,563
Interest receivable and similar income		-	48,926
Interest payable and similar charges	6	-	(179)
		-----	-----
Profit on ordinary activities before taxation		-	415,310
Taxation on profit on ordinary activities	7	-	(104,157)
		-----	-----
Profit on ordinary activities after taxation		-	311,153
		=====	=====

The profit and loss account related to continuing activities which were transferred to a fellow subsidiary company on 28 February 2006

MALYON LESTRANGE INSURANCE SERVICES LIMITED

BALANCE SHEET

AS AT 31 MAY 2007

	Notes	31 May 2007 £	31 May 2006 £
Current assets			
Debtors	9	1,000	1,000
		-----	-----
Net current assets		1,000	1,000
		-----	-----
Net assets		1,000	1,000
		=====	=====
 Capital and reserves			
Called up equity share capital	10	1,000	1,000
Profit and loss account	11	-	-
		-----	-----
Shareholder's funds	12	1,000	1,000
		=====	=====

The balance sheet was approved by the Board on 9 October 2007 and signed on its behalf by


R. J. Hodson
Director

MALYON LESTRANGE INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2007

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 director has 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

The company generated revenue principally from brokerage, commission and fees associated with placing insurance and reinsurance contracts

Revenues from brokerage, commissions and fees were recognised at the point at which placement services were substantially complete. Any adjustments to premiums, binding authorities and treaties were recognised on a periodic basis when the consideration due was confirmed by third parties. Fees were billed separately and recognised as these services were rendered.

Where contractual obligations existed for the performance of post placement activities, and the cost of these activities was not expected to be covered by future income, a relevant proportion of revenue due on placement was deferred and recognised over the period during which these activities were performed.

Pension costs

The pension costs charged in the financial statements represented the contributions payable by the company during the period.

2. Turnover

Turnover was wholly attributable to the principal activity of the company and arose solely within the United Kingdom.

3. Operating profit

	12 months to 31 May 2007 £	14 months to 31 May 2006 £
Operating profit is stated after charging		
Amortisation of intangible assets	-	8,050
Depreciation of tangible assets	-	33,167
Loss on disposal of tangible assets	-	1,573
Auditors' remuneration - non-audit services	-	12,920
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MALYON LESTRANGE INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued...)*

FOR THE YEAR ENDED 31 MAY 2007

4. Employee costs

	12 months to 31 May 2007 £	14 months to 31 May 2006 £
Wages and salaries	-	935,688
Social security costs	-	105,472
Other pension costs	-	15,413
	-	1,056,573
Number of employees	Number	Number
Directors	-	2
Staff	-	21
	-	23

5. Director's emoluments

	12 months to 31 May 2007 £	14 months to 31 May 2006 £
Remuneration in respect of director's was as follows		
Emoluments for qualifying services	-	291,667
Company pension contributions to money purchase schemes	-	15,413
	-	307,080

6. Interest payable and similar charges

Hire purchase interest	-	179
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7. Taxation on profit on ordinary activities

(a) Analysis of charge in the year

Current tax		
UK corporation tax based on the results for the year	-	112,998
Total current tax (see (b) below)	-	112,998
Deferred tax		
Deferred tax (credit) for the current year	-	(8,841)
	-	104,157

MALYON LESTRANGE INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued...)*

FOR THE YEAR ENDED 31 MAY 2007

7. Taxation on profit on ordinary activities *(Continued...)*

(b) Factors affecting tax charge for the year

	12 months to 31 May 2007 £	14 months to 31 May 2006 £
Profit on ordinary activities before taxation	-	415,310
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 0% (2006 28.61%)	-	118,820
Effects of		
Expenses not deductible for tax purposes	-	5,464
Depreciation for the period in excess of capital allowances	-	6,033
Other tax adjustments	-	(17,319)
Current tax charge for year (see (a) above)	-	112,998

8. Dividends

Ordinary interim equity dividends paid	-	912,666
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9. Debtors

	31 May 2007 £	31 May 2006 £
Due within one year		
Amounts owed by group undertakings	1,000	1,000

10. Share capital

Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

MALYON LESTRANGE INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*Continued...*)

FOR THE YEAR ENDED 31 MAY 2007

11. Statement of movements on profit and loss account

	Profit and loss account £
At 1 April 2005	601,513
Profit for the period	311,153
Dividends paid	(912,666)
	<hr/>
At 1 June 2006 and 31 May 2007	-
	<hr/>

12. Reconciliation of movements in shareholder's funds

	31 May 2007 £	31 May 2006 £
Profit for the year	-	311,153
Dividends paid	-	(912,666)
	<hr/>	<hr/>
Net (reduction) in shareholder's funds	-	(601,513)
Opening shareholder's funds	1,000	602,513
	<hr/>	<hr/>
Closing shareholder's funds	1,000	1,000
	<hr/>	<hr/>

13. Parent undertaking and ultimate controlling party

The company is a wholly owned subsidiary of Oval Limited, which is the ultimate parent company. Copies of the consolidated financial statements of Oval Limited are available from Companies House.

14. 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.

15. 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.