

Company Registration No. 05271236 (England and Wales)

SENAD HOLDINGS LIMITED (FORMERLY KNOWN AS DUNCARY 4 LIMITED)

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2005

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SENAD HOLDINGS LIMITED

DIRECTORS AND ADVISERS

Directors	K Baines	(Appointed 27 October 2004)
	T Lee	(Appointed 27 October 2004)
	I Williams	(Appointed 27 October 2004)
	R Robson	(Appointed 27 October 2004)
	B Jones	(Appointed 27 October 2004)
Secretary	K Baines	
Company number	05271236	
Registered office	The Grange Hospital Lane Mickleover Derby DE3 0DR	
Registered auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham Gloucestershire GL50 3AT	
Business address	The Grange Hospital Lane Mickleover Derby DE3 0DR	
Bankers	Bank of Scotland Telford House 3 Mid New Cultins Edinburgh EH11 4DH	

SENAD HOLDINGS LIMITED

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SENAD HOLDINGS LIMITED

DIRECTORS' REPORT

for the period ended 31 August 2005

The directors present their report and financial statements for the period ended 31 August 2005.

Principal activities and review of the business

The company was incorporated on 27 October 2004 as Duncary 4 Limited. On 8 November 2004, the company changed its name to Senad Holdings Limited.

On 29 November 2004, the company acquired the entire issued share capital of Tregynon Hall Limited, a company trading as a residential school for children with learning disabilities.

On 3 May 2005, the company made a further acquisition of the entire issued share capital of Hanson Line Limited and its subsidiary Aran Hall School Limited, a group trading as a residential school for youngsters with special needs.

The principal activity of the company is that of a parent holding company.

The Directors are pleased with the performance of the Group in the period ending 31 August 2005. They plan to build on this success with ambitious growth plans in the following year.

The Directors do not expect there to be any significant changes to the Company's or the Group's principal activities in the foreseeable future.

Results and dividends

The consolidated profit and loss account for the period is set out on page 4.

Directors

The following directors have held office since 27 October 2004:

K Baines	(Appointed 27 October 2004)
T Lee	(Appointed 27 October 2004)
I Williams	(Appointed 27 October 2004)
R Robson	(Appointed 27 October 2004)
M H Directors Limited	(Appointed 27 October 2004 and resigned 27 October 2004)
B Jones	(Appointed 27 October 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	31 August 2005	27 October 2004
K Baines	2,000	-
T Lee	10,000	-
I Williams	2,000	-
R Robson	-	-
B Jones	-	-

SENAD HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) for the period ended 31 August 2005

	Ordinary A shares of 1p each	
	31 August 2005	27 October 2004
K Baines	-	-
T Lee	-	-
I Williams	-	-
R Robson	2,124	-
B Jones	-	-

R Robson's interest in the Ordinary A shares is in those held by his wife.

Auditors

Hazlewoods LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Directors' responsibilities

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 of the company and of the group and of the profit or loss of the group for that period. 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;
- state whether applicable accounting standards have been followed, 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 group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



K Baines
Director

SENAD HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SENAD HOLDINGS LIMITED

We have audited the financial statements of Senad Holdings Limited on pages 4 to 20 for the period ended 31 August 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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, in our opinion, the directors' report is not consistent with the financial statements, 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 read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

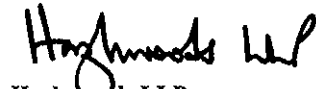
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 and the group'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 of the state of the company's and the group's affairs as at 31 August 2005 and of the group's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Hazelwoods LLP

20 June 2006

Chartered Accountants and Registered Auditors

Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

SENAD HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period ended 31 August 2005

	Notes	£
Turnover	2	2,636,204
Cost of sales		(1,349,291)
Gross profit		1,286,913
Administrative expenses		(633,796)
Other operating income		(137)
Operating profit	3	652,980
Profit on sale of property	3	97,703
Profit on ordinary activities before interest		750,683
Interest receivable and similar income		17,931
Interest payable and similar charges	4	(487,540)
Profit on ordinary activities before taxation		281,074
Tax on profit on ordinary activities	5	(136,713)
Profit on ordinary activities after taxation		144,361

All activities were acquired in the period under review. The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SENAD HOLDINGS LIMITED

BALANCE SHEETS as at 31 August 2005

	Notes	Group 2005 £	Company 2005 £
Fixed assets			
Intangible assets	7	10,171,151	-
Tangible assets	8	1,394,415	-
Investments	9	-	11,634,134
		<u>11,565,566</u>	<u>11,634,134</u>
Current assets			
Debtors	10	1,223,246	381,727
Cash at bank and in hand		1,530,943	-
		<u>2,754,189</u>	<u>381,727</u>
Creditors: amounts falling due within one year	11	<u>(5,532,076)</u>	<u>(3,877,457)</u>
Net current (liabilities)/assets		<u>(2,777,887)</u>	<u>(3,495,730)</u>
Total assets less current liabilities		<u>8,787,679</u>	<u>8,138,404</u>
Creditors: amounts falling due after more than one year	12	<u>(8,596,402)</u>	<u>(8,596,402)</u>
Provisions for liabilities and charges	13	<u>(18,265)</u>	<u>-</u>
		<u>173,012</u>	<u>(457,998)</u>
Capital and reserves			
Called up share capital	15	990	990
Share premium account	16	27,661	27,661
Profit and loss account	16	144,361	(486,649)
Shareholders' funds - equity interests	17	<u>173,012</u>	<u>(457,998)</u>

The financial statements were approved by the board on

17 June 2006



K Baines
Director

SENAD HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT for the period ended 31 August 2005

	£	£
Net cash inflow from operating activities		887,368
Returns on investments and servicing of finance		
Interest received	14,331	
Interest paid	(249,976)	
Net cash outflow for returns on investments and servicing of finance		(235,645)
Capital expenditure		
Payments to acquire tangible assets	(58,810)	
Receipts from sales of tangible assets	131,750	
Net cash inflow for capital expenditure		72,940
Acquisitions and disposals		
Purchase of subsidiary undertakings	(10,974,134)	
Cash acquired with subsidiary	566,211	
Net cash outflow for acquisitions and disposals		(10,407,923)
Net cash outflow before management of liquid resources and financing		(9,683,260)
Financing		
Issue of ordinary share capital	28,651	
New long term bank loan	7,936,402	
Other new short term loans	3,249,150	
Net cash inflow from financing		11,214,203
Increase in cash in the period		1,530,943

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the period ended 31 August 2005

1 Reconciliation of operating profit to net cash inflow from operating activities

	£
Operating profit	652,980
Depreciation of tangible assets	34,284
Amortisation of intangible assets	261,205
Profit on disposal of tangible assets	(3,000)
Decrease in debtors	306,750
Decrease in creditors within one year	(364,851)
Net cash inflow from operating activities	887,368

2 Analysis of net debt

	Cashflow £	Other non-cash changes £	At 31 August 2005 £
Net cash:			
Cash at bank and in hand	1,530,943	-	1,530,943
New long term bank loans	(7,936,402)	-	(7,936,402)
Other new long term loans	-	(660,000)	(660,000)
Other new short term loans	(3,249,150)	-	(3,249,150)
	(11,185,552)	(660,000)	(11,845,552)
Net debt	(9,654,609)	(660,000)	(10,314,609)

Other non-cash changes of £660,000 relates to deferred consideration on the purchase of Hanson Line Limited and its subsidiary Aran Hall School Limited as set out in note 9 to these financial statements.

3 Reconciliation of net cash flow to movement in net debt

	£
Increase in cash in the period	1,530,943
Cash inflow from increase in debt	(11,845,552)
Movement in net debt in the period	(10,314,609)
Opening net funds	-
Closing net debt	(10,314,609)

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 August 2005

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies all of which are in accordance with applicable Accounting Standards.

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Senad Holdings Limited and its subsidiaries made up to 31 August 2005.

The results of subsidiary undertakings acquired during the year are included from the effective date of acquisition using the acquisition basis of accounting. Purchase consideration is allocated to assets acquired on the basis of their fair values at date of acquisition. The group's share of profits (less losses) of these undertakings are included in the consolidated profit and loss account.

1.3 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for the provision of education and care for emotionally disturbed children. Accrued and deferred income are taken to debtors and creditors respectively. Any amounts received in respect of fees for the next accounting year are taken to Payments on account within creditors.

1.4 Goodwill

Purchased goodwill, including that attributable to the acquisition of subsidiary and associated undertakings, is capitalised and is to be written off over a period of twenty years. This period is considered by the directors to be its useful economic life. Goodwill includes a best estimate of total consideration that will be paid, due to the inclusion of a contingent deferred consideration.

1.5 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Freehold Land and buildings	Buildings 4% of cost (Land - nil)
Plant and machinery	20% of written down value
Fixtures, fittings & equipment	10% - 25% of written down value or 10% - 50% of cost
Motor vehicles	20% of written down value or 25% of cost

1.6 Leasing

The cost of operating leases is charged to the profit and loss account on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The company administers a defined contribution pension for staff under stakeholder rules.

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

1 Accounting policies

(continued)

1.9 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

£

Operating profit is stated after charging:

Depreciation of intangible assets	261,205
Depreciation of tangible assets	34,284
Auditors' remuneration	11,170
Remuneration of auditors for non-audit work	5,096

and after crediting:

Profit on disposal of tangible assets (excluding profit on sale of properties)	(3,000)
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On 29 November 2004, a property was sold by Tregynon Hall Limited (a subsidiary of Senad Holdings Limited) for its market value, which created a profit on disposal of £97,703.

4 Interest payable

£

On bank loans	263,279
Other interest	224,261
	<u>487,540</u>

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

5 Taxation

	£
Domestic current year tax	
U.K. corporation tax	142,783
Adjustment to corporation tax liabilities acquired	(17,124)
	<hr/>
Current tax charge	125,659
 Deferred tax	
Deferred tax charge/credit current period	11,054
	<hr/>
	136,713
	<hr/>
 Factors affecting the tax charge for the period	
Profit on ordinary activities before taxation	281,074
	<hr/>
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00%	84,322
	<hr/>
Effects of:	
Non deductible amortisation of goodwill	72,447
Other non deductible expenses	6,755
Capital allowances in excess of depreciation	(2,919)
Carry back of losses	(17,124)
Chargeable disposals	28,450
Other tax adjustments	(46,272)
	<hr/>
	41,337
	<hr/>
Current tax charge	125,659
	<hr/>

6 Loss for the financial period

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial period is made up as follows:

	£
Holding company's loss for the financial period	(486,649)
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SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

7 Intangible fixed assets Group

	Goodwill £
Cost	
Additions	10,432,356
At 31 August 2005	<u>10,432,356</u>
Amortisation	
Charge for the period	261,205
At 31 August 2005	<u>261,205</u>
Net book value	
At 31 August 2005	<u><u>10,171,151</u></u>

The calculation of goodwill additions is detailed in note 9.

8 Tangible fixed assets Group

	Freehold Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
Additions	1,266,514	43,993	113,591	35,648	1,459,746
Disposals	(27,297)	-	-	(3,750)	(31,047)
At 31 August 2005	<u>1,239,217</u>	<u>43,993</u>	<u>113,591</u>	<u>31,898</u>	<u>1,428,699</u>
Depreciation					
Charge for the period	17,871	984	9,502	5,927	34,284
At 31 August 2005	<u>17,871</u>	<u>984</u>	<u>9,502</u>	<u>5,927</u>	<u>34,284</u>
Net book value					
At 31 August 2005	<u><u>1,221,346</u></u>	<u><u>43,009</u></u>	<u><u>104,089</u></u>	<u><u>25,971</u></u>	<u><u>1,394,415</u></u>

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

9 Fixed asset investments Company

	Shares in group undertakings £
Cost	
Additions	11,634,134
At 31 August 2005	11,634,134

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Aran Hall School Limited	England & Wales	Ordinary shares of £1	100
Hanson Line Limited	England & Wales	Ordinary shares of £1	100
Tregynon Hall Limited	England & Wales	Ordinary shares of £1	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Aran Hall School Limited	Residential school for youngsters with special needs
Hanson Line Limited	Management and holding company for Aran Hall School Limited
Tregynon Hall Limited	Residential school for emotionally disturbed children

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

9 Fixed asset investments

(continued)

On 29 November 2004, the company purchased the entire issued share capital of Tregynon Hall Limited. For the accounting period prior to acquisition (1 January 2004 to 29 November 2004), Tregynon Hall Limited had a profit after tax of £387,707. In the year ended 31 December 2003, it had a profit after tax of £50,991.

On 3 May 2005, the company purchased the entire issued share capital of the Hanson Line Group which comprises of Hanson Line Limited and its subsidiary, Aran Hall School Limited. For the accounting period prior to acquisition (1 April 2005 to 3 May 2005), Hanson Line Limited and Aran Hall School Limited had respective profits of £1,075 and £68,811. In the year ended 31 March 2005, they had a loss of £19,929 and a profit after tax of £317,159 respectively.

The effect on the financial statements was as follows:

	Tregynon Hall	Aran Hall School and Hanson Line	Total
Tangible assets	812,871	588,065	1,400,936
Debtors	24,870	1,479,792	1,504,662
Cash at bank and in hand	459,311	106,900	566,211
Creditors due within one year	(357,071)	(1,905,749)	(2,262,820)
Deferred tax	(9,049)	1,838	(7,211)
Net assets acquired	930,932	270,846	1,201,778
Consideration paid	4,985,135	5,640,322	10,625,457
Deferred consideration	-	660,000	660,000
Acquisition costs	171,055	177,622	348,677
Goodwill arising	4,225,258	6,207,098	10,432,356

10 Debtors

	Group £	Company £
Trade debtors	1,115,088	-
Amounts owed by group undertakings	-	330,060
Corporation tax	25,334	-
Other debtors	57,303	50,000
Prepayments and accrued income	25,521	1,667
	1,223,246	381,727

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

11 Creditors : amounts falling due within one year

	Group £	Company £
Payments received on account	1,222,680	-
Trade creditors	35,069	-
Amounts owed to group undertakings	-	382,385
Corporation tax	455,577	-
Taxes and social security costs	61,965	-
Other creditors	3,268,481	3,268,401
Accruals and deferred income	488,304	226,671
	<u>5,532,076</u>	<u>3,877,457</u>

Bank loans are secured. For details of security, see note 12 to these financial statements.

Other loans falling due within one year consist of £1,249,150 of Series C loan Stock and £2,000,000 of Series D Loan Stock. The loan stock is, subject to approval from the Company's bankers, redeemable at any time by the Company giving the holders 7 days notice. The loan stock is also redeemable in full on disposal or liquidation of the Company.

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

12 Creditors : amounts falling due after more than one year

	Group £	Company £
Bank loans	7,936,402	7,936,402
Other loans	660,000	660,000
	<u>8,596,402</u>	<u>8,596,402</u>
Analysis of loans		
Wholly repayable within five years	2,233,070	2,233,070
Not wholly repayable within five years	6,363,332	6,363,332
	<u>8,596,402</u>	<u>8,596,402</u>
Loan maturity analysis		
In more than one year but not more than two years	660,000	660,000
In more than two years but not more than five years	1,573,070	1,573,070
In more than five years	6,363,332	6,363,332

Bank loans and overdrafts

The bank loans are secured by:

A first and only debenture over the whole assets and undertakings of the Borrower including the uncalled capital.

A Corporate Guarantee from Tregynon Hall Limited supported by a debenture from Tregynon Hall Limited and a first legal charge over Tregynon Hall School.

A Corporate Guarantee from Hanson Line Limited supported by a debenture from Hanson Line Limited.

A Corporate Guarantee from Aran Hall School Limited supported by a debenture from Aran Hall School Limited and a first legal charge over Aran Hall School.

There are two bank loans and the details are as follows:

Bank loan 1

The loan is over a term of twenty years and is repayable quarterly in arrears with the first repayment being due on 29 November 2006 and the final repayment due on 29 November 2024. Interest is chargeable at 1.5% above the Bank of England base rate.

Bank loan 2

The loan is over a term of twenty years and is repayable quarterly in arrears with the first repayment being due on 3 May 2007 and the final repayment due on 3 May 2025. Interest is chargeable at 1.5% above the Bank of England base rate.

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

12 Creditors : amounts falling due after more than one year (continued)

Other loans

The other loans are deferred consideration as disclosed in note 9 to these financial statements.

13 Provisions for liabilities and charges Group

	Deferred taxation £
Acquired in the period	8,536
Profit and loss account	9,729
	<hr/>
Balance at 31 August 2005	18,265
	<hr/>

Deferred taxation provided in the financial statements is as follows:

	Group £
Accelerated capital allowances	18,265
	<hr/>

14 Pension costs

Defined contribution

	£
Contributions payable by the group for the period	2,792
	<hr/>

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

15 Share capital

	£
Authorised	
150,000 Ordinary shares of 1p each	1,500
850,000 Ordinary A shares of 1p each	8,500
	<hr/>
	10,000
	<hr/>
Allotted, called up and fully paid	
14,000 Ordinary shares of 1p each	140
85,000 Ordinary A shares of 1p each	850
	<hr/>
	990
	<hr/>

The company was incorporated with an authorised share capital of 1,000 Ordinary shares of £1 each. A single Ordinary share of £1 was issued to fund working capital.

On 29 November 2004, the authorised share capital was increased and subdivided into 150,000 Ordinary shares of 1p and 850,000 Ordinary A shares of 1p.

On 29 November 2004, 13,900 Ordinary shares of 1p were issued at £2 each, creating a share premium account of £27,661 and 85,000 Ordinary A shares of 1p were issued for their nominal value. The shares were issued to fund working capital.

All shares rank pari passu in all respects.

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

16 Statement of movements on reserves Group

	Share premium account	Profit and loss account
	£	£
Retained profit for the period	-	144,361
Premium on shares issued during the period	27,661	-
	<u>27,661</u>	<u>144,361</u>
Balance at 31 August 2005	<u>27,661</u>	<u>144,361</u>

Company

	Share premium account	Profit and loss account
	£	£
Retained loss for the period	-	(486,649)
Premium on shares issued during the period	27,661	-
	<u>27,661</u>	<u>(486,649)</u>
Balance at 31 August 2005	<u>27,661</u>	<u>(486,649)</u>

17 Reconciliation of movements in shareholders' funds Group

	£
Profit for the financial period	144,361
Proceeds from issue of shares	28,651
	<u>173,012</u>
Net addition to shareholders' funds	173,012
Opening shareholders' funds	-
	<u>173,012</u>
Closing shareholders' funds	<u>173,012</u>

Company

	£
Loss for the financial period	(486,649)
Proceeds from issue of shares	28,651
	<u>(457,998)</u>
Net depletion in shareholders' funds	(457,998)
Opening shareholders' funds	-
	<u>(457,998)</u>
Closing shareholders' funds	<u>(457,998)</u>

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the period ended 31 August 2005

18 Financial commitments

At 31 August 2005 the group had annual commitments under non-cancellable operating leases as follows:

	£
Within one year	3,037
Between two and five years	6,325
	<u>9,362</u>

19 Directors' emoluments

The directors received no emoluments from the group during the period.

20 Employees

Number of employees

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

	Number
Education and care staff	128
Directors	5
	<u>133</u>

Employment costs

	£
Wages and salaries	1,148,873
Social security costs	48,575
Other pension costs	2,792
	<u>1,200,240</u>

21 Control

The directors do not consider there to be any ultimate controlling party. Funds managed by Sovereign Capital Limited Partnership I have a 63.5% interest in the share capital of Senad Holdings Limited at 31 August 2005.

SENAD HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **for the period ended 31 August 2005**

22 Related party transactions

Group

At 31 August 2005, Tregynon Hall Limited owed £2,630 to Rowden House School Limited. The directors of Tregynon Hall Limited are also directors of Rowden House School Limited.

At 31 August 2005, Senad Holdings Limited owed £19,251 to Senad Group Limited. Certain directors of Senad Holdings Limited are also directors of Senad Group Limited.