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CHFP001

COMPANIES FORM No. 155(6)b

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

Please do not
write in
this margin

Pursuant to section 155(6)b of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies

For official use

Company number

(Address overleaf – Note 5)

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05271236

Name of company

* SENAD HOLDINGS LIMITED (THE "COMPANY")

Note
Please read the notes
on page 3 before
completing this form.

* insert full name
of company

Ø insert name(s) and
address(es) of all
the directors

† We Ø See Annexure A

† delete as
appropriate

~~the sole director~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

§ delete whichever
is inappropriate

The business of this company is:

- (a) ~~that of a [recognised bank]~~ [licensed institution]† within the meaning of the Banking Act 1979§
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on~~
~~insurance business in the United Kingdom~~§
(c) something other than the above§

This company is ~~the~~ [a] holding company of* ORCHARD SCHOOL LIMITED

(THE "SUBSIDIARY") which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] [the holding company of this company:]†

Presentor's name address and
reference (if any):

SKADDEN, ARPS, SLATE,
MEAGHER & FLOM (UK) LLP
40 BANK STREET
CANARY WHARF
LONDON E14 5DS

For official Use
General Section

Post room



LD5
COMPANIES HOUSE

130
07/07/2006

The assistance is for the purpose of [that acquisition]~~reducing or discharging a liability incurred for the purpose of that acquisition~~ † (note 1)
XXXXXXXXXX

Please do not
write in
this margin

The number and class of the shares acquired or to be acquired is: 85,000 PREFERRED A
ORDINARY SHARES OF £0.01 EACH AND 14,000 ORDINARY SHARES OF £0.01 EACH

Please complete
legibly, preferably
in black type, or
bold block lettering

The assistance is to be given to: (note 2) SENAD INVESTMENTS LIMITED ("BIDCO")

The assistance will take the form of:

SEE ANNEXURE B.

The person who [has acquired]~~XXXXXXXX~~ [will acquire] † the shares is:

† delete as
appropriate

BIDCO

The principal terms on which the assistance will be given are:

SEE ANNEXURE C.

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced
by giving it is NIL

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ NIL

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

* delete either (a) or
(b) as appropriate

The date on which the assistance is to be given is

Day	Month	Year
05	07	2006

I/we have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~I/we~~ We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and I/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 40 BANK STREET
LONDON

Declarants to sign below

on

Day	Month	Year
03	07	2006

before me H. Cusack

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

1. For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
2. Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
3. Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
4. The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
5. The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Annexure A to Companies Form 155(6)b
Declaration by all the directors of the Company as holding company for the Subsidiary
in relation to assistance for the acquisition of shares in the Company

The directors of the Company are:

DIRECTOR	ADDRESS
Terence Frederick Lee	18 Darcy Road Tiptree Colchester Essex CO5 0RP
Kathryn Alison Baines	Waterside Colwyn Road Craigside Llandudno LL30 3AA
Brian James Jones	40 Theydon Park Road Theydon Bois Epping Essex CM16 7LP

Annexure B to Companies Form 155(6)b
Declaration by all the directors of the Company as holding company for the Subsidiary
in relation to assistance for the acquisition of shares in the Company

Unless otherwise defined in this Annexure B, capitalised terms used in this Annexure B shall have the meaning given to those terms in Annexure D to this Companies Form 155(6)b.

Form of Financial Assistance

The financial assistance will take the form of the execution and delivery or, as the case may be, accession to, and performance by the Subsidiary of its obligations under:

1. a parent intra-group loan agreement (the **"Parent Intra-Group Loan Agreement"**) to be entered into between, among others, Bidco and the Subsidiary;
2. a facilities agreement between, among others, the Agent and Bidco, and acceded to by the Subsidiary, for credit facilities of up to £107,500,000 (the **"Facilities Agreement"**);
3. a debenture (the **"Debenture"**), between, among others, the Subsidiary, the Security Trustee and Bidco, pursuant to which, among others, the Subsidiary will grant a fixed and floating charge over its assets and undertakings in favour of the Security Trustee to secure the discharge of the Secured Obligations (as defined therein);
4. an intercreditor deed between, among others, the Subsidiary, the Security Trustee and Bidco (the **"Intercreditor Deed"**), pursuant to which, among other things, the Subsidiary will agree to subordinate its rights to repayment of monies due from Bidco to it pursuant to the Parent Intra-Group Loan Agreement in certain circumstances and to the ranking of priority between certain creditors of Bidco and its subsidiaries; and
5. an accession letter to the Facilities Agreement (the **"Accession Letter"**) pursuant to which the Subsidiary will agree to become an Additional Guarantor and be bound by the terms and provisions of the Facilities Agreement.

Annexure C to Companies Form 155(6)b
Declaration by all the directors of the Company as holding company for the Subsidiary
in relation to assistance for the acquisition of shares in the Company

Unless otherwise defined in this Annexure C, capitalised terms used in this Annexure C shall have the meaning given to those terms in Annexures B and D to this Companies Form 155(6)b.

Principal Terms of Financial Assistance

The principal terms on which the assistance will be given are:

1. under the terms of the Parent Intra-Group Loan Agreement the Subsidiary is obliged to make loans to Bidco to enable it to, among other things, to pay interest under, and repay borrowings by it under, the Facilities Agreement and to reduce liabilities incurred by it for the purpose of the acquisition of the Company.
2. by executing the Accession Letter and becoming a party to the Facilities Agreement the Subsidiary:
 - (a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
 - (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor;
 - (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover; and
 - (d) becomes a Guarantor and as such gives certain undertakings and representations which, if breached, could result in the Subsidiary having to make payments as damages or otherwise.
3. by executing the Debenture the Subsidiary:
 - 3.1 covenants in favour of the Security Trustee that it will pay and discharge the Secured Obligations;
 - 3.2 as continuing security for the payment, discharge and performance of the Secured Obligations owed in favour of the Security Trustee, agrees to charge all the present and future right, title and interest of the Subsidiary in and to the following assets which are at any time owned by the Subsidiary, or in which the Subsidiary from time to time has an interest:
 - (a) by way of first legal mortgage the Property specified in Parts 1 and 2 of Schedule 2 of the Debenture;

- (b) by way of first fixed charge:
- (i) all other Property and all interests in Property (not charged by clause 4.1(a)(i) of the Debenture); and
 - (ii) all licenses to enter upon or use land and the benefit of all other agreements relating to land;
- (c) by way of first fixed charge all plant and machinery and the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of first fixed charge:
- (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(c) of the Debenture); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same,
- (other than any which is for the time being part of the Subsidiary's stock-in-trade or work-in-progress);
- (e) by way of first fixed charge:
- (i) the Charged Securities referred to in Part 3 of Schedule 2 of the Debenture; and
 - (ii) all other Charges and Securities (not charged by clause 4.1(e)(i) of the Debenture),
- in each case, together with (1) all Related Rights from time to time accruing to those Charged Securities and (2) all rights which the Subsidiary may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- (f) by way of first fixed charge:
- (i) the Security Accounts, Mandatory Prepayment Account and Holding Account and all monies at any time standing to the credit of such accounts; and
 - (ii) all monies standing to the credit of the Subsidiary from time to time on any and all accounts with any bank, financial institution or other person (not otherwise charged by clause 4.1(f)(i) of the Debenture),
- in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- (g) by way of first fixed charge:
- (i) the Intellectual Property (if any) specified in Part 4 of Schedule 2 of the Debenture; and

- (ii) all other Intellectual Property (if any) (not charged by clause 4.1(g)(i) of the Debenture);
 - (h) to the extent that any of the Assigned Assets are not effectively assigned under clause 4.2 of the Debenture, by way of first fixed charge those Assigned Assets;
 - (i) by way of first fixed charge (to the extent not otherwise charged or assigned in the Debenture):
 - (i) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Subsidiary or the use of any of its assets; and
 - (ii) any letter of credit issued in favour of the Subsidiary and all bills of exchange and other negotiable instruments held by it; and
 - (iii) any chose in action, and any claims now and in the future belonging to the Subsidiary;
 - (j) by way of first fixed charge all of the goodwill and uncalled capital of the Subsidiary;
- 3.3 assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right, title and interest in and to:
- (a) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from the Relevant Contracts; and
 - (b) the Keymen Policies, all rights and remedies in connection with the Keymen Policies and proceeds and claims arising from the Keymen Policies;
 - (c) the Insurances, all claims under the Insurances and all proceeds of the Insurances;
 - (d) the Treasury Transactions, all rights and remedies in connection with the Treasury Transactions and all proceeds and claims arising from the Relevant Contracts; and
 - (e) all other Receivables (not otherwise assigned under clause 4.2(c) or 4.2(d) of the Debenture),

to the extent that any Assigned Asset described above is not assignable, the assignment shall operate as an assignment of all present and future rights and claims of the Subsidiary to any proceeds of the Insurance);

- 3.4 agrees to, promptly after, but in any event within ten Business Days of the execution of the Debenture (and promptly after, but in any event within ten Business Days of, the obtaining of any Insurance, or the execution of any Relevant Contract after the date of the Debenture):
- (a) in respect of each Relevant Contract, deliver a duly completed notice of assignment to each other party to that Relevant Contract, and use all its reasonable endeavours to procure that each such person executes and delivers

to the Security Trustee an acknowledgement, in each case in respective forms set out in Schedule 5 of the Debenture (on in such other form as the Security Trustee shall agree); and

- (b) in respect of each of the insurances, deliver a duly completed notice of assignment to each other party to that insurance, and use all its reasonable endeavours to procure that each such person executes and delivers to the Security Trustee a letter of undertaking, in each case in the respective forms set out in Schedule 6 of the Debenture (or in such other form as the Security Trustee shall agree),
- 3.5 charges and agrees to charge by way of first floating charge all of its present and future assets and undertaking (wherever located) which are not effectively charged by way of first legal mortgage or direct fixed charge or assigned pursuant to the provisions of clauses 4.1 and 4.2 or any other provision of the Debenture;
- 3.6 agrees to, at its own expense, promptly take whatever action the Security Trustee or a Receiver may require for:
 - (a) creating, perfecting or protecting the Security intended to be created by this Deed; and
 - (b) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable by the Security Trustee or any Receiver or any of its or their delegates or sub-delegates in respect of any Security Asset,including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Trustee or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Security Trustee may think expedient; and
- 3.7 undertakes not to (without the prior written consent of the Security Trustee):
 - (a) create or permit to subsist any Security on any of the Security Assets (except a Permitted Security); or
 - (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not), the whole or any part of its interest in any Security Asset (except for a Permitted Disposal); and
- 3.8 gives certain undertakings and representations which, if breached could result in the Subsidiary having to make payments as damages or otherwise.
- 4. by executing the Intercreditor Deed, the Subsidiary will agree to, among other things:
 - (a) subordinate its rights to repayment of monies due from Bidco to it pursuant to the Parent Intra-Group Loan Agreement in certain circumstances and to the ranking of priority between certain creditors of Bidco and its subsidiaries; and
 - (b) indemnify the Lenders and the Security Trustee for certain costs, claims, expenses and liabilities under the Intercreditor Deed.

Annexure D to Companies Form 155(6)b
Declaration by all the directors of the Company as holding company for the Subsidiary
in relation to assistance for the acquisition of shares in the Company

In Annexures B and C the following expressions have the following meanings:

"Agent"	means Nomura International plc.
"Assigned Assets"	means the assets assigned pursuant to clause 4.2 of the Debenture.
"Borrower"	has the meaning given to that term in the Facilities Agreement.
"Charged Securities"	means: <ul style="list-style-type: none">(a) the securities specified in Part 3 of Schedule 2 of the Debenture; and(b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or 'investments' (as defined in part II of schedule II to the Financial Services and Markets Act 2000 in force at the date of the Debenture) now or in future owned (legally or beneficially) by the of the Subsidiary, held by any nominee on its behalf or in which the Subsidiary has an interest at any time.
"Deposit"	means any credit balance from time to time on the Mandatory Prepayment Account and/or the Holding Account and all entitlements to interest, the right to repayment and all other rights, benefits and proceeds in respect of such credit balance.
"Finance Document"	has the meaning given to that term in the Facilities Agreement.
"Finance Party"	has the meaning given to that term in the Facilities Agreement.
"Holding Account"	has the meaning given to that term in the Facilities Agreement
"Insurances"	means all policies of insurance (and all cover notes) which are at any time held by or written in favour of the Subsidiary, or in which the Subsidiary from time to time has an interest but only to the extent that the proceeds of payout in respect of such policy would be subject to clause 8.2(b) of the Facilities Agreement.
"Intellectual Property"	means: <ul style="list-style-type: none">(a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered; and(b) the benefit of all applications and rights to use such

assets of each member of the Subsidiary.

"Keyman Policy"

means a life assurance policy (in form and substance reasonably satisfactory to the Agent and with such insurer as the Agent may reasonably approve) taken out and maintained by the Parent (as defined in the Facilities Agreement) in respect of the death, disability or critical illness of the following individuals and in not less than the following respective amounts:

Name of Individual	Amount (£)
Terence Frederick Lee	1,000,000
Kathryn Alison Baines	2,500,000
Brian Jones	2,500,000

"Mandatory Prepayment Account"

has the meaning given to that term in the Facilities Agreement.

"Obligor"

means a Borrower or a Guarantor.

"Permitted Disposal"

means any sale, lease, licence, transfer or other disposal which is on arm's length terms:

- (a) of trading stock or cash made by the Subsidiary in its ordinary course of trading;
- (b) arising as a result of any Permitted Security.

"Permitted Security"

has the meaning given to that term in the Facilities Agreement.

"Property"

means all estates and interests in freehold and other immovable property (wherever situated) at the date of the Debenture, or at any time thereafter, belonging to the Subsidiary, or in which the Subsidiary has an interest at any time (including the Subsidiary's registered and unregistered land (if any) in England and Wales, specified in Parts 1 and 2 of Schedule 2 of the Debenture), together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in of (a) above ;
- (c) all proceeds of sale of that property; and
- (d) the benefit of all covenants given in respect thereof, but shall exclude all Short Term Leases.

"Receivables"

all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Subsidiary (whether actual or contingent and whether arising

under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing.

"Receiver"

any receiver, or receiver and manager or administrative receiver or administrator of the whole or any part of the Charged Property.

"Related Rights"

in relation to any Charged Securities:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Securities or any asset referred to in paragraph (b) below; and
- (b) all rights, monies or property accruing or offered at any time in relation to the Charged Securities whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Relevant Contract"

each of the agreements specified in Part 5 of Schedule 2 of the Debenture together with each other agreement supplementing or amending or novating or replacing the same.

"Secured Obligations"

all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of the Subsidiary (or any of them) to the Security Trustee under or pursuant to any Finance Document to which the Subsidiary is a party (including all monies covenanted to be paid under the Debenture), provided that no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, this Deed (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 Companies Act 1985.

"Security Account"

has the meaning given to that term in clause 10.13(b) of the Debenture.

"Security Assets"

all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed.

“Security Trustee”

means Nomura International plc.

“Treasury Transactions”

means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.



KPMG LLP
St Nicholas House
Park Row
Nottingham NG1 6FQ
United Kingdom

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Private & confidential

The Directors
Senad Holdings Limited
The Grange
Hospital Lane
Mickleover
Derby
DE3 0DR

Our ref pc/ap

Contact Phil Charles
0115 935 3551

3 July 2006

Dear Sirs

Auditors' report to the directors of Senad Holdings Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 3 July 2006 in connection with the proposal that Orchard School Limited, of which this company is a holding company, should give financial assistance for the purchase of the entire Ordinary Share Capital of this company.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act 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 directors as a body for our work under section 156(4) of that Act or for this report.

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG LLP
Registered Auditor