

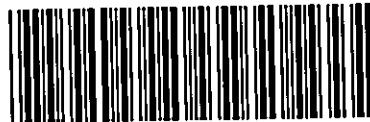
Senad Investments Limited

**Directors' report and financial
statements**

Registered number 05843085

31 August 2008

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Directors and advisors

Directors

BJ Jones
JR Atkinson
DA Gordon
MJ Press

Secretary

JR Atkinson

Registered office

1 St George's House
Vernon Gate
Derby
DE1 1UQ

Company number

05843085

Auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Bankers

HSBC Bank PLC
Leicester Corporate Banking Centre
Penman Way
Grove Park
Enderby
Leicestershire
LE19 1SY

Solicitors

Marriott Harrison
Staple Court
11 Staple Inn Building
London
WC1V 7QH

Directors' report

The directors present their report and financial statements for the year ended 31 August 2008.

Principal activity

The principal activity of the company is that of an intermediate holding company.

Results and dividends

During the year the company was acquired by Senad Group Limited a company incorporated in the Isle of Man (see notes 12 and 19).

The results for the year and the company's financial position at the end of the year are shown in the attached profit and loss account.

Senad Group Limited, the company's ultimate parent company, manages its operations on a divisional basis. For this reason, the company's directors believe key performance indicators for the company are not necessary for an understanding of the development, performance or position of the business. The performance of the company is discussed in the ultimate parent company's directors' report, which does not form part of this report.

No dividends have been paid or proposed in the year (2007: £nil).

Directors

The directors who held office during the financial year and to the date of this report are as follows:

BJ Jones	
TF Lee	
JR Atkinson	
DA Gordon	- resigned 30 June 2008
MJ Press	- resigned 30 June 2008
A Al Sayed	- appointed 15 October 2008
N Chamdia	- appointed 15 October 2008

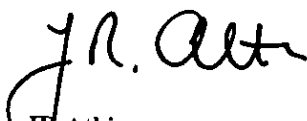
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


JR Atkinson
Secretary

Dated: 19/2/09

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

St Nicholas House

Park Row

Nottingham NG1 6FQ

Report of the independent auditors to the members of Senad Investments Limited

We have audited the financial statements of Senad Investments Limited for the year ended 31 August 2008 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 3.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 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 judgments 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG LLP

Chartered Accountants
Registered Auditor

Dated: *19 February 2009*

Profit and loss account
for the year ended 31 August 2008

	<i>Note</i>	Year to 31 August 2008 £000	12 June 2006 to 31 August 2007 £000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses:			
Exceptional item - impairment of investment	9	(41,366)	-
Other expenses		(1,697)	(1,167)
		<hr/>	<hr/>
		(43,063)	(1,167)
Operating loss		<hr/>	<hr/>
		(43,063)	(1,167)
Interest payable and similar charges	2	(6,880)	(11,237)
Interest receivable and similar income	3	221	117
		<hr/>	<hr/>
Loss on ordinary activities before taxation	4	(49,722)	(12,287)
Tax on loss on ordinary activities	7	-	-
		<hr/>	<hr/>
Loss for the financial period	13	<hr/> <hr/> (49,722)	<hr/> <hr/> (12,287)

In the current year, the company made no material acquisitions and had no discontinued operations.

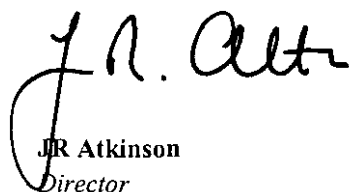
In the preceding period the company acquired The Senad Group Limited and Senad Holdings Limited, along with their subsidiaries. The results of the acquired companies are included in the consolidated financial statements of the ultimate parent company.

There were no recognised gains or losses in either the current year or preceding period other than those disclosed in the profit and loss account.

Balance sheet
as at 31 August 2008

	Note	£000	2008 £000	£000	2007 £000
Fixed assets					
Tangible assets	8		134		-
Investments	9		59,293		83,607
			<hr/>		<hr/>
			59,427		83,607
Current assets					
Debtors	10	197		-	
Cash at bank and in hand		4,579		516	
		<hr/>		<hr/>	
		4,776		516	
Creditors: amounts falling due within one year	11	(65,331)		(96,409)	
		<hr/>		<hr/>	
Net current liabilities			(60,555)		(95,893)
			<hr/>		<hr/>
Net liabilities			(1,128)		(12,286)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	12		1		1
Share Premium account	13		60,880		-
Profit and loss account	13		(62,009)		(12,287)
			<hr/>		<hr/>
Shareholder's deficit	14		(1,128)		(12,286)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 19 February 2009
 and were signed on its behalf by:


 J.R. Atkinson
 Director

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards on a going concern basis.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis notwithstanding net liabilities of £1,128,000 (2007: £12,286,000) and the £65 million bank loan being due for repayment within the next financial year. Following the year end the bank loan was refinanced directly by the ultimate controlling party. Additionally the parent company has indicated their agreement to continue to provide financial support to the company such that the company is able to continue to trade and meet its debts and liabilities as they fall due for at least for the next twelve months from approval of these financial statements and the foreseeable future.

Cash flow statement

Under FRS 1 'Cash flow statements (revised 1996)' the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company is a wholly owned subsidiary and its parent company includes the company in its own published consolidated financial statements.

Related party transactions

As the company is a wholly owned subsidiary, the company has taken advantage of the exemption contained within FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Senad Group Limited, within which the company is included, can be obtained from the address given in note 19.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments

The cost of investment is the purchase cost together with any incremental costs of acquisition. Provision is made against the cost of investments where, in the opinion of the directors, there is an impairment in the value of the individual investments.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Interest payable and similar charges

	Year to 31 Aug 08 £000	12 Jun 06 to 31 Aug 07 £000
Bank loans	6,170	8,628
Amortisation of issue costs	710	2,486
Other similar charges	-	123
	<u>6,880</u>	<u>11,237</u>

3 Interest receivable and similar income

	Year to 31 Aug 08 £000	12 Jun 06 to 31 Aug 07 £000
Bank interest receivable	221	117
	<u>221</u>	<u>117</u>

4 Loss on ordinary activities before taxation

	Year to 31 Aug 08 £000	12 Jun 06 to 31 Aug 07 £000
<i>Loss on ordinary activities before taxation is arrived at after charging:</i>		
Depreciation	18	-
<i>Auditors' remuneration:</i>		
- audit of these financial statements	10	-
- other services relating to taxation	2	-
	<u>10</u>	<u>-</u>

In the prior period auditors' remuneration relating to this company was charged to Senad Limited.

5 Directors' emoluments and fees

	Year to 31 Aug 08 £000	12 Jun 06 to 31 Aug 07 £000
Aggregate emoluments (including benefits in kind)	234	102
Pension contributions	20	-
	<u>254</u>	<u>102</u>

The highest paid director received aggregate emoluments of £133,000 (2007: £102,000) and pension contributions of £11,000 (2007: £nil).

Notes (continued)

6 Employees

The average number of employees (including directors and part time staff) during the year was as follows:

	Year to 31 Aug 08 Number	12 Jun 06 to 31 Aug 07 Number
Administrative	15	11

The aggregate payroll costs of these employees (including directors) were as follows:

	£000	£000
Wages and salaries	733	361
Social security costs	97	74
Other pension costs	41	36
	871	471

7 Tax on loss on ordinary activities

(a) Analysis of charge in the year

	Year to 31 Aug 08 £000	12 Jun 06 to 31 Aug 07 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	-	-
Tax on loss on ordinary activities	-	-
	-	-

(b) Factors affecting the tax charge for the year:

The current tax charge for the year is higher (2007: higher) than the standard 29.16% (2007: 30%) rate of corporation tax in the UK. The differences are explained below:

	Year to 31 Aug 08 £000	12 Jun 06 to 31 Aug 07 £000
Loss on ordinary activities before tax	(49,722)	(12,287)
	(49,722)	(12,287)
Current tax at 29.16% (2007: 30%)	(14,499)	(3,686)
<i>Effect of:</i>		
Expenses not deductible for tax purposes	12,088	-
Transfer pricing adjustment	46	79
Group relief	2,366	3,287
Deferred tax not recognised on losses	-	320
Capital allowances in excess of depreciation	(1)	-
	14,499	3,686
Total current tax charge	-	-
	-	-

Notes (continued)

7 Tax on loss on ordinary activities (continued)

(c) Deferred taxation

Unprovided amounts of deferred taxation comprise:

	Year to 31 Aug 08 £000	12 Jun 06 to 31 Aug 07 £000
Losses	1,013	1,065
Deferred tax asset at 28% not recognised	284	298

The deferred tax asset relating to losses has not been recognised due to uncertainty of appropriate profits in this company in the foreseeable future.

8 Fixed assets

	Leasehold buildings £000	Plant and equipment £000	Fixtures and fittings £000	Total £000
<i>Cost or valuation:</i>				
At 1 September 2007	-	-	-	-
Additions	39	90	18	147
Transfers	-	32	3	35
Disposals	-	(25)	(3)	(28)
At 31 August 2008	39	97	18	154
<i>Accumulated depreciation:</i>				
At 1 September 2007	-	-	-	-
Charge for the year	4	13	1	18
Transfers	-	15	2	17
Disposals	-	(14)	(1)	(15)
At 31 August 2008	4	14	2	20
<i>Net book value:</i>				
At 31 August 2008	35	83	16	134
At 31 August 2007	-	-	-	-

Notes (continued)

9 Investments

	Loan to group undertaking £000	Shares in group undertakings £000	Total £000
Cost at beginning of year	-	83,607	83,607
Additions	17,000	52	17,052
Impairment	-	(41,366)	(41,366)
At end of year	17,000	42,293	59,293

On 30 June 2008 Senad Investments Limited, along with its direct and indirect subsidiaries, were acquired by Senad Group Limited (formerly Gategill Limited), a company incorporated in the Isle of Man. An impairment to the carrying value of investments in subsidiaries reflects the underlying market value of the subsidiaries on acquisition.

£17 million of amounts due from group undertakings were classified as investments at the acquisition date.

The company holds more than 20% of the share capital of the following companies which are all registered in England and Wales.

Name of undertaking	Nature of holding	Nature of business	Ownership
The Senad Group Limited	Direct	Intermediate holding company	100%
Senad Holdings Limited	Direct	Intermediate holding company	100%
Principal Care Services Limited	Indirect	Intermediate holding company	100%
Teme Valley Investments Limited	Indirect	Intermediate holding company	100%
Hanson Line Limited	Indirect	Intermediate holding company	100%
Senad Limited	Indirect	Trading	100%
Tregynon Hall Limited	Indirect	Trading	100%
Winslow Court Limited	Indirect	Trading	100%
Aran Hall School Limited	Indirect	Trading	100%
Orchard School Limited	Indirect	Trading	100%
Rowden House School Limited	Indirect	Trading	100%
Orchard School Properties Limited	Indirect	Dormant	100%

10 Debtors

	2008 £000	2007 £000
Amounts due from group undertakings	98	-
Other debtors	99	-
	197	-

Notes (continued)

11 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank loans	65,000	89,290
Amounts owed to group undertakings	-	7,080
Trade creditors	2	-
Accruals and deferred income	329	39
	<u>65,331</u>	<u>96,409</u>

Bank loan

The bank loan is secured against properties owned by the Senad Group Limited group.

The rate of interest on the bank loan is LIBOR plus 3.5% margin plus a mandatory cost (formula based). An interest rate agreement is in place for £65 million at a fixed rate of interest of 5.16%. On 23 November 2007, the company's bank loans with Nomura International plc reduced to £65 million following the issue of additional loan notes in the amount of £30 million.

On 10 September 2008, the £65 million bank loan with Nomura International plc was repaid and replaced by a loan from the ultimate controlling party.

Costs incurred and directly attributable to the raising of debt finance have been amortised over the life of the bank loan in accordance with FRS 4.

	£000
At 1 September 2007	710
Amortisation in the year	(710)
	<u>-</u>
At 31 August 2008	<u>-</u>

Other loans

During the year a £30 million inter-company loan was entered into with Senad Holdco 2 Limited. Later in the year this liability was settled via capitalisation of the inter-company debt due to Senad Holdco 2 Limited, into an A ordinary share (see note 12).

Notes (continued)

12 Called up share capital

	2008 £000	2007 £000
<i>Authorised:</i>		
200,000,000 'A' ordinary shares of £0.01 each	2,000	2,000
20,000,000 'B' ordinary shares of £0.01 each	200	200
20,000,000 'C' ordinary shares of £0.01 each	200	200
17,566,647 'D' ordinary shares of £0.01 each	176	176
	<hr/> 2,576 <hr/>	<hr/> 2,576 <hr/>
	2008	2007
	£	£
<i>Allotted, called up and fully paid:</i>		
85,876 (2007: 85,875) 'A' ordinary shares of £0.01 each	859	859
2,893 'B' ordinary shares of £0.01 each	29	29
11,231 'C' ordinary shares of £0.01 each	112	112
	<hr/> 1,000 <hr/>	<hr/> 1,000 <hr/>

As part of the group refinancing completed during 2008 the company issued 1 £0.01 A ordinary share for a consideration of £60,880,231 settled through capitalisation of amounts due to the immediate parent company Senad Holdco 2 Limited in the form of inter-company loans. Subsequently all of the shares were purchased by Senad Group Limited (see note 19).

Class rights

The A, B, C and D Ordinary shares are separate classes of shares but rank *pari passu* in all respects, save as set out below.

Dividends

Holders of A, B and C Ordinary shares are entitled to receive any dividends out of the profits of the company available for distribution pro-rata to the voting rights attached to their holdings.

Holders of D Ordinary shares are entitled to receive dividends out of the profits of the company available for distribution from the time immediately prior to any sale or listing at a rate of 10% of the aggregate amount available to be distributed to shareholders.

Capital

On a distribution of assets of the company among its members on a winding up or other return of capital the holders of A, B and C Ordinary shares shall be entitled to participate in proportion to the voting rights attached to their shares.

The holders of D Ordinary shares shall have the right to receive a total of 1p for all D Ordinary shares in issue.

Voting

Every holder of an A, B or C Ordinary share shall have one vote for every share held.

Any votes cast by holders of C Ordinary shares will always equate to 11.2% of the total votes cast.

If a resolution is proposed and the votes cast either in favour or against such resolution by holders of A Ordinary shares are insufficient to pass/defeat the resolution then any votes cast by holders of A Ordinary shares will always count for 75% of total votes cast.

Holders of D Ordinary shares shall not be entitled to receive notice of or attend any general meeting of the company or to vote on any resolution proposed.

Notes (continued)

13 Reserves

	Share premium account £000	Profit and loss account £000
Opening balance	-	(12,287)
Loss for the period	-	(49,722)
Premium on share issue	60,880	-
	<hr/>	<hr/>
At 31 August 2008	60,880	(62,009)
	<hr/>	<hr/>

14 Reconciliation of movements in shareholder's deficit

	2008 £000	2007 £000
Loss for the period	(49,722)	(12,287)
Issue of shares	60,880	1
	<hr/>	<hr/>
Net movement in shareholder's deficit	11,158	(12,286)
Opening shareholder's deficit	(12,286)	-
	<hr/>	<hr/>
Closing shareholder's deficit	(1,128)	(12,286)
	<hr/>	<hr/>

15 Capital and other commitments

At 31 August 2008 the company had capital commitments of £25,000 (2007 £nil).

16 Financial commitments

At 31 August 2008 the company had no annual commitments under non-cancellable operating leases.

17 Contingent liabilities

Cross guarantees are in place in relation to the group's bank loans with Nomura International plc of £65 million (2007: £90 million). In addition the company is subject to a charge to Nomura International plc over all property and other assets held and all monies due or to become due.

On 10 September 2008 the loan with Nomura International plc was repaid and replaced by a loan from the ultimate controlling party.

18 Related party transactions

The company has taken advantage of the exemption contained within FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities that form part of the Senad Group Limited group.

Notes *(continued)*

19 Ultimate controlling party and parent company

At the start of the year the company was a subsidiary of Senad Holdco 2 Limited. On 30 June 2008, Senad Investments Limited, and its subsidiaries, were acquired by Senad Group Limited, a company incorporated in the Isle of Man and the ultimate parent company.

The largest group in which the results of the company are consolidated is that headed by Senad Group Limited. The consolidated financial statements of Senad Group Limited may be obtained from Senad Group Limited, 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB.

By Declaration of Trust dated 27 June 2008, Garbara Limited, the shareholder of Senad Group Limited, is The Nominee for the Beneficial Owner, and ultimate controlling party, the Qatar Investment Authority.