

Senad Investments Limited

**Directors' report and financial
statements**

Registered number 05843085

31 August 2009



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Directors and advisors

Directors

BJ Jones
TF Lee
JR Atkinson
A Al Sayed
N Chamdia

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 2009

Principal activity

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

Results and dividends

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 (2008 £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
A Al Sayed - appointed 15 October 2008
N Chamdia - appointed 15 October 2008

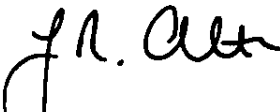
Disclosure of information to auditors

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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


JR Atkinson
Secretary

Dated 14 December 2009

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)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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



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 2009 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Philip Charles (*Senior Statutory Auditor*)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated 18 December 2009

Profit and loss account
for the year ended 31 August 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses			
Exceptional item - impairment of investment	-		(41,366)
Other expenses	(1,486)		(1,697)
		<hr/>	<hr/>
		(1,486)	(43,063)
		<hr/>	<hr/>
Operating loss		(1,486)	(43,063)
		<hr/>	<hr/>
Interest payable and similar charges	2	(4,622)	(6,880)
Interest receivable and similar income	3	216	221
		<hr/>	<hr/>
Loss on ordinary activities before taxation	4	(5,892)	(49,722)
Tax on loss on ordinary activities	7	-	-
		<hr/>	<hr/>
Loss for the financial year	14	(5,892)	(49,722)
		<hr/> <hr/>	<hr/> <hr/>

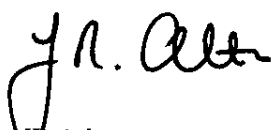
In both the current and preceding year, the company made no material acquisitions and had no discontinued operations

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

Balance sheet
as at 31 August 2009

	<i>Note</i>	£000	2009 £000	£000	2008 £000
Fixed assets					
Tangible assets	8		138		134
Investments	9		59,303		59,293
			<hr/>		<hr/>
			59,441		59,427
Current assets					
Debtors	10	188		197	
Cash at bank and in hand		408		4,579	
		<hr/>		<hr/>	
		596		4,776	
Creditors: amounts falling due within one year	11	(2,057)		(65,331)	
		<hr/>		<hr/>	
Net current liabilities			(1,461)		(60,555)
			<hr/>		<hr/>
Total assets less current liabilities			57,980		(1,128)
Creditors: amounts falling due after more than one year	12		(65,000)		-
			<hr/>		<hr/>
Net liabilities			(7,020)		(1,128)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		1		1
Share premium account	14		60,880		60,880
Profit and loss account	14		(67,901)		(62,009)
			<hr/>		<hr/>
Shareholder's deficit	15		(7,020)		(1,128)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 14 December 2009 and were signed on its behalf by


J. N. Atkinson
Director

Company number 05843085

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 s400 of the Companies Act 2006 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 £7,020,000 (2008 £1,128,000). The parent company has indicated their agreement to continue to provide group 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 20.

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.

Tangible fixed assets and depreciation

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- over the life of the lease
Plant and equipment	- 15-25% straight line
Fixtures and fittings	- 25% straight line

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.

Notes (continued)

1 Principal accounting policies (continued)

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.

2 Interest payable and similar charges

	2009 £000	2008 £000
Bank loans	154	6,170
Other loans	4,228	-
Other similar charges	240	710
	<u>4,622</u>	<u>6,880</u>

3 Interest receivable and similar income

	2009 £000	2008 £000
Bank interest receivable	216	221
	<u>216</u>	<u>221</u>

4 Loss on ordinary activities before taxation

	2009 £000	2008 £000
<i>Loss on ordinary activities before taxation is arrived at after charging</i>		
Depreciation	51	18
Operating leases - other	1	-
<i>Auditors' remuneration</i>		
- audit of these financial statements	10	10
- other services relating to taxation	2	2
	<u>64</u>	<u>30</u>

5 Directors' emoluments and fees

	2009 £000	2008 £000
Aggregate emoluments (including benefits in kind)	371	234
Pension contributions	21	20
	<u>392</u>	<u>254</u>

The highest paid director received aggregate emoluments of £170,000 (2008 £133,000) and pension contributions of £12,000 (2008 £11,000).

Notes (continued)

6 Employees

	2009 Number	2008 Number
<i>The average number of employees (including directors and part time staff) during the year was as follows</i>		
Administrative	19	15
	<u>19</u>	<u>15</u>
	£000	£000
<i>The aggregate payroll costs of these employees (including directors) were as follows</i>		
Wages and salaries	1,021	733
Social security costs	102	97
Other pension costs	42	41
	<u>1,165</u>	<u>871</u>

7 Tax on loss on ordinary activities

(a) Analysis of charge in the year

	2009 £000	2008 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	-	-
	<u>-</u>	<u>-</u>

(b) Factors affecting the tax charge for the year

The current tax charge for the year is higher (2008 higher) than the standard 28% (2008 29.16%) rate of corporation tax in the UK. The differences are explained below

	2009 £000	2008 £000
Loss on ordinary activities before tax	(5,892)	(49,722)
	<u>(5,892)</u>	<u>(49,722)</u>
Current tax at 28% (2008 29.16%)	(1,650)	(14,499)
<i>Effect of</i>		
Expenses not deductible for tax purposes	28	12,088
Transfer pricing adjustment	609	46
Group relief	1,004	2,366
Depreciation in excess of capital allowances	7	(1)
Depreciation on non qualifying expenditure	2	-
	<u>-</u>	<u>-</u>
Total current tax charge	-	-
	<u>-</u>	<u>-</u>

Notes (continued)

7 Tax on loss on ordinary activities (continued)

(c) Deferred taxation

Unprovided amounts of deferred taxation comprise

	2009 £000	2008 £000
Accelerated capital allowances	7	-
Losses	57	1,013
	<hr/>	<hr/>
Deferred tax asset not recognised	64	284
	<hr/>	<hr/>

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

8 Fixed assets

	Leasehold improvements £000	Plant and equipment £000	Fixtures and fittings £000	Total £000
<i>Cost or valuation</i>				
At 1 September 2008	39	97	18	154
Additions	-	54	1	55
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2009	39	151	19	209
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>				
At 1 September 2008	4	14	2	20
Charge for the year	8	41	2	51
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2009	12	55	4	71
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2009	27	96	15	138
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2008	35	83	16	134
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

9 Investments

	Loan to group undertaking £000	Shares in group undertakings £000	Total £000
Cost at beginning of year	17,000	42,293	59,293
Additions	-	10	10
At end of year	17,000	42,303	59,303

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

	2009 £000	2008 £000
Amounts due from group undertakings	-	98
Other debtors	188	99
	188	197

11 Creditors' amounts falling due within one year

	2009 £000	2008 £000
Bank loans	-	65,000
Amounts owed to group undertakings	1,637	-
Trade creditors	130	2
Accruals and deferred income	290	329
	2,057	65,331

Bank loan

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

Notes (continued)

12 Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
Amounts owed to ultimate controlling party	65,000	-

Loans

The maturity of loans is as follows

	2009 £000	2008 £000
Debt can be analysed as falling due		
In one year or less, or on demand	-	-
Between one and two years	-	-
Between two and five years	65,000	-
	<u>65,000</u>	<u>-</u>

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

The loan due to the ultimate controlling party is secured against properties owned by the Senad Group Limited group

The rate of interest on the ultimate controlling party loan is LIBOR plus 3.5% margin

13 Called up share capital

	2009 £000	2008 £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
	<u>2,576</u>	<u>2,576</u>
	2009 £	2008 £
<i>Allotted called up and fully paid</i>		
85,876 '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
	<u>1,000</u>	<u>1,000</u>

Notes (continued)

13 Called up share capital (continued)

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

14 Reserves

	Share premium account £000	Profit and loss account £000
Opening balance	60,880	(62,009)
Loss for the year	-	(5,892)
At 31 August 2009	<u>60,880</u>	<u>(67,901)</u>

Notes (continued)

15 Reconciliation of movements in shareholder's deficit

	2009 £000	2008 £000
Loss for the year	(5,892)	(49,722)
Issue of shares	-	60,880
Net movement in shareholder's deficit	(5,892)	11,158
Opening shareholder's deficit	(1,128)	(12,286)
Closing shareholder's deficit	(7,020)	(1,128)

16 Capital and other commitments

At 31 August 2009 the company had capital commitments of £2,000 (2008 £25,000)

17 Financial commitments

At 31 August the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2009 £000	2008 £000	2009 £000	2008 £000
Operating leases expiring				
- between two and five years	40	-	21	-
- after more than five years	-	-	3	-
	40	-	24	-

18 Contingent liabilities

Cross guarantees are in place in relation to the loan with Qatar Investment Authority of £65 million (2008 £nil). In addition the company is subject to a charge to Qatar Investment Authority 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 of £65 million was repaid and replaced by a loan from the ultimate controlling party, as above.

19 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 are 90% or more owned by group companies.

At the year end a sum of £65 million (2008 £nil) was due from the company to the ultimate controlling party. These monies are repayable in accordance with the loan repayment profile detailed in note 12. During the year interest of £4.2 million (2008 £nil) was payable in respect of the loan.

Notes *(continued)*

20 Ultimate controlling party and parent company

The largest group in which the results of the company are consolidated is that headed by Senad Group Limited, a company incorporated in the Isle of Man and the ultimate parent company. 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.