

Senad Investments Limited

**Directors' report and financial
statements**

Registered number 05843085

31 August 2010

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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 2010

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.

Dividends of £14,700,000 were received during the year (2009 £nil)

No dividends were paid during the year (2009 £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
N Chamdia

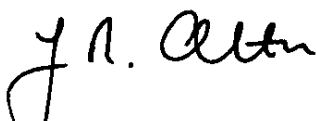
Disclosure of information to auditors

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 11 March 2011

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 2010 set out on pages 5 to 14. 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 Chapter 3 of Part 16 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 2010 and of its profit 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 11 March 2011

Profit and loss account
for the year ended 31 August 2010

| | <i>Note</i> | 2010 £000 | 2009 £000 |
|---|-------------|----------------------------|--------------|
| Administrative expenses | | (1,812) | (1,486) |
| Operating loss | | (1,812) | (1,486) |
| Investment income | | 14,700 | - |
| Interest payable and similar charges | 2 | (2,704) | (4,622) |
| Interest receivable and similar income | 3 | 1 | 216 |
| Profit/(loss) on ordinary activities before taxation | 4 | 10,185 | (5,892) |
| Tax on profit/(loss) on ordinary activities | 7 | - | - |
| Profit/(loss) for the financial year | 14 | 10,185 | (5,892) |

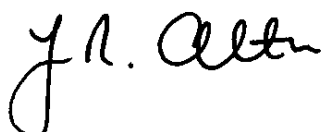
In both the current and preceding year, the company made no material acquisitions and had no discontinued operations

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 2010

| | <i>Note</i> | £000 | 2010 £000 | £000 | 2009 £000 |
|---|-------------|---------|--------------|---------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 126 | | 138 |
| Investments | 9 | | 59,303 | | 59,303 |
| | | | <hr/> | | <hr/> |
| | | | 59,429 | | 59,441 |
| Current assets | | | | | |
| Debtors | 10 | 12,380 | | 188 | |
| Cash at bank and in hand | | - | | 408 | |
| | | <hr/> | | <hr/> | |
| | | 12,380 | | 596 | |
| Creditors amounts falling due within one year | 11 | (3,644) | | (2,057) | |
| | | <hr/> | | <hr/> | |
| Net current assets/(liabilities) | | | 8,736 | | (1,461) |
| | | | <hr/> | | <hr/> |
| Total assets less current liabilities | | | 68,165 | | 57,980 |
| Creditors amounts falling due after more than one year | 12 | | (65,000) | | (65,000) |
| | | | <hr/> | | <hr/> |
| Net assets/(liabilities) | | | 3,165 | | (7,020) |
| | | | <hr/> <hr/> | | <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 | | (57,716) | | (67,901) |
| | | | <hr/> | | <hr/> |
| Shareholder's funds/(deficit) | 15 | | 3,165 | | (7,020) |
| | | | <hr/> <hr/> | | <hr/> <hr/> |

These financial statements were approved by the board of directors on 11 March 2011 and were signed on its behalf by



JR 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

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

Dividends on shares presented within shareholder's funds

2 Interest payable and similar charges

| | 2010 £000 | 2009 £000 |
|-----------------------|--------------|--------------|
| Bank loans | - | 154 |
| Other loans | 2,704 | 4,228 |
| Other similar charges | - | 240 |
| | <u>2,704</u> | <u>4,622</u> |

| | 2010 £000 | 2009 £000 |
|---------------------------|--------------|--------------|
| Bank interest receivable | - | 216 |
| Other interest receivable | 1 | - |
| | <u>1</u> | <u>216</u> |

| | 2010 | 2009 |
|--|-------------|------|
| | £000 | £000 |
| <i>Profit/(loss) on ordinary activities before taxation is arrived at after charging</i> | | |
| Depreciation | 59 | 51 |
| Operating leases - land and buildings | 40 | 40 |
| other | 19 | 1 |
| <i>Auditors' remuneration</i> | | |
| - audit of these financial statements | 10 | 10 |
| - other services relating to taxation | 2 | 2 |

| | 2010 £000 | 2009 £000 |
|---|--------------|--------------|
| Aggregate emoluments (including benefits in kind) | 387 | 371 |
| Pension contributions | 21 | 21 |
| | <hr/> | <hr/> |
| | 408 | 392 |

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Notes (continued)

6 Employees

| | 2010 Number | 2009 Number |
|---|----------------|----------------|
| <i>The average number of employees (including directors and part time staff) during the year was as follows</i> | | |
| Administrative | 21 | 19 |
| | <hr/> | <hr/> |
| | £000 | £000 |
| <i>The aggregate payroll costs of these employees (including directors) were as follows</i> | | |
| Wages and salaries | 1,033 | 1,021 |
| Social security costs | 96 | 102 |
| Other pension costs | 41 | 42 |
| | <hr/> | <hr/> |
| | 1,170 | 1,165 |
| | <hr/> | <hr/> |

7 Tax on profit/(loss) on ordinary activities

(a) Analysis of charge in the year

| | 2010 £000 | 2009 £000 |
|---|--------------|--------------|
| <i>UK corporation tax</i> | | |
| Current tax on income for the year | - | - |
| | <hr/> | <hr/> |
| Tax on profit/(loss) on ordinary activities | - | - |
| | <hr/> | <hr/> |

(b) Factors affecting the tax charge for the year

The current tax charge for the year is lower (2009 higher) than the standard 28% (2009 28%) rate of corporation tax in the UK. The differences are explained below

| | 2010 £000 | 2009 £000 |
|---|--------------|--------------|
| Profit/(loss) on ordinary activities before tax | 10,185 | (5,892) |
| | <hr/> | <hr/> |
| Current tax at 28% (2009 28%) | 2,852 | (1,650) |
| <i>Effect of</i> | | |
| Expenses not deductible for tax purposes | 63 | 28 |
| Transfer pricing adjustment | 591 | 609 |
| Group relief | 622 | 1,004 |
| Depreciation in excess of capital allowances | 3 | 7 |
| Depreciation on non qualifying expenditure | 1 | 2 |
| UK dividends not taxable | (4,116) | - |
| Utilisation of carried forward losses | (16) | - |
| | <hr/> | <hr/> |
| Total current tax charge | - | - |
| | <hr/> | <hr/> |

(c) Factors that may affect future tax charges

The Emergency Budget on 22 June 2010, announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge.

Notes (continued)

7 Tax on profit/(loss) on ordinary activities (continued)

(d) Deferred taxation

Unprovided amounts of deferred taxation comprise

| | 2010 £000 | 2009 £000 |
|-----------------------------------|----------------------------|--------------|
| Accelerated capital allowances | 9 | 7 |
| Losses | 40 | 57 |
| | <hr/> | <hr/> |
| Deferred tax asset not recognised | 49 | 64 |
| | <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 | Motor vehicles £000 | Total £000 |
|---------------------------------|--|---|---|------------------------------------|-----------------------|
| <i>Cost or valuation</i> | | | | | |
| At 1 September 2009 | 39 | 151 | 19 | - | 209 |
| Additions | 4 | 36 | 3 | 4 | 47 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2010 | 43 | 187 | 22 | 4 | 256 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Accumulated depreciation</i> | | | | | |
| At 1 September 2009 | 12 | 55 | 4 | - | 71 |
| Charge for the year | 9 | 47 | 3 | - | 59 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2010 | 21 | 102 | 7 | - | 130 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | | | |
| At 31 August 2010 | 22 | 85 | 15 | 4 | 126 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2009 | 27 | 96 | 15 | - | 138 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Notes (continued)

9 Investments

| | Loan to group undertaking £000 | Shares in group undertakings £000 | Total £000 |
|-----------------------------------|--------------------------------------|--|---------------|
| Cost at beginning and 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% |
| Leme Valley Investments Limited | Indirect | Intermediate holding company | 100% |
| Hanson Line Limited | Indirect | Intermediate holding company | 100% |
| Senad Limited | Indirect | Trading | 100% |
| Frogynon 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

| | 2010 £000 | 2009 £000 |
|-------------------------------------|---------------|--------------|
| Amounts due from group undertakings | 12,191 | - |
| Other debtors | 189 | 188 |
| | <u>12,380</u> | <u>188</u> |

11 Creditors amounts falling due within one year

| | 2010 £000 | 2009 £000 |
|------------------------------------|--------------|--------------|
| Bank overdraft | 3,165 | - |
| Amounts owed to group undertakings | - | 1,637 |
| Trade creditors | 232 | 130 |
| Accruals and deferred income | 247 | 290 |
| | <u>3,644</u> | <u>2,057</u> |

Notes (continued)

12 Creditors amounts falling due after more than one year

| | 2010 £000 | 2009 £000 |
|--|--------------|--------------|
| Amounts owed to ultimate controlling party | 65,000 | 65,000 |

Loans

The maturity of loans is as follows

| | 2010 £000 | 2009 £000 |
|--|--------------|--------------|
| <i>Debt can be analysed as falling due</i> | | |
| Between two and five years | 65,000 | 65,000 |
| | 65,000 | 65,000 |

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

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| <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 |
| | 1,000 | 1,000 |

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

Notes (continued)

13 Called up share capital (continued)

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 | (67,901) |
| Profit for the year | - | 10,185 |
| | <hr/> | <hr/> |
| At 31 August 2010 | 60,880 | (57,716) |
| | <hr/> <hr/> | <hr/> <hr/> |

15 Reconciliation of movements in shareholder's funds/(deficit)

| | 2010 £000 | 2009 £000 |
|---|--------------|----------------|
| Profit/(loss) for the year | 10,185 | (5,892) |
| | <hr/> | <hr/> |
| Net movement in shareholder's funds/(deficit) | 10,185 | (5,892) |
| Opening shareholder's deficit | (7,020) | (1,128) |
| | <hr/> | <hr/> |
| Closing shareholder's funds/(deficit) | 3,165 | (7,020) |
| | <hr/> <hr/> | <hr/> <hr/> |

16 Capital and other commitments

At 31 August 2010 the company had capital commitments of £67,000 (2009 £2,000)

Notes (continued)

17 Financial commitments

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

| | Land and buildings | | Other | |
|------------------------------|--------------------|-----------|-----------|-----------|
| | 2010 | 2009 | 2010 | 2009 |
| | £000 | £000 | £000 | £000 |
| Operating leases expiring | | | | |
| - under one year | - | - | 8 | - |
| - between two and five years | 40 | 40 | 18 | 21 |
| - after more than five years | - | - | - | 3 |
| | <u>40</u> | <u>40</u> | <u>26</u> | <u>24</u> |

18 Contingent liabilities

Cross guarantees are in place in relation to the loan with Qatar Investment Authority of £65 million (2009 £65 million). 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.

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 wholly owned by group companies.

At the year end a sum of £65 million (2009 £65 million) 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 £2.7 million (2009 £4.2 million) was payable in respect of the loan.

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.