

SENAD INVESTMENTS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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SENAD INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	BJ Jones JR Atkinson N Chamdia AM Collins (resigned 30 June 2016) O Al Hamed (resigned 13 October 2016) Dr MB Flynn AR Bin Mohammed Ali (appointed 13 October 2016)
Company secretary	JR Atkinson
Registered number	05843085
Registered office	1 St George's House Vernon Gate Derby DE1 1UQ
Independent auditor	Ernst & Young LLP Statutory Auditor No.1 Colmore Square Birmingham B4 6HQ
Bankers	HSBC Bank PLC Corporate Service Team 2nd Floor, 62-76 Park Street Southwark London SE1 9DZ
Solicitors	Marriott Harrison Staple Court 11 Staple Inn Building London WC1V 7QH

SENAD INVESTMENTS LIMITED

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SENAD INVESTMENTS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

Business review and key performance indicators

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 financial statements, which do not form part of this report.

This report was approved by the board on 19 May 2017 and signed on its behalf.

BJ Jones
Director

A handwritten signature in black ink, appearing to read 'BJ Jones', with a stylized flourish at the end.

SENAD INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their report and the financial statements for the year ended 31 August 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £3,481,000 (2015 - loss £3,296,000).

No dividends were paid during the year (2015 - £NIL).

Directors

The directors who served during the year were:

BJ Jones
JR Atkinson
N Chamdia
AM Collins (resigned 30 June 2016)
O Al Hamed (resigned 13 October 2016)
Dr MB Flynn
AR Bin Mohammed Ali (appointed 13 October 2016)

Future developments

Development of the groups' services, its facilities and of its staff continues to meet both the requirements of those placed and changing legislative requirements. Placement numbers, the driver of revenues, are developed through delivery of high quality services which attract new, both replacement and additional pupils, to underpin further service enhancement, and future developments.

SENAD INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units and the company as a whole. Communication with employees is through the in-house newsletter and briefing groups.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

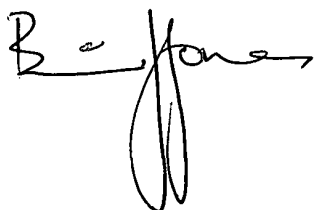
There have been no significant events affecting the company since the year end.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 May 2017 and signed on its behalf.

BJ Jones
Director



SENAD INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SENAD INVESTMENTS LIMITED

We have audited the financial statements of Senad Investments Limited for the year ended 31 August 2016, set out on pages 6 to 25. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 Auditor

As explained more fully in the Directors' responsibilities statement on page 2, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

SENAD INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SENAD INVESTMENTS LIMITED
(CONTINUED)**

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.

Ernst & Young LLP

Andy Williams (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor

No.1 Colmore Square
Birmingham
B4 6HQ

23 May 2017

SENAD INVESTMENTS LIMITED

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £000	2015 £000
Turnover	4	-	451
Gross profit		-	451
Administrative expenses		(2,033)	(2,127)
Operating loss	5	(2,033)	(1,676)
Interest payable and expenses	9	(1,682)	(1,861)
Loss before tax		(3,715)	(3,537)
Tax on loss	10	234	241
Loss for the year		(3,481)	(3,296)

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement and statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 10 to 25 form part of these financial statements.

Handwritten signature

SENAD INVESTMENTS LIMITED
REGISTERED NUMBER: 05843085

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	11		129		189
Investments	12		37,919		37,919
			<u>38,048</u>		<u>38,108</u>
Current assets					
Debtors: amounts falling due within one year	13	407		231	
Cash at bank and in hand	14	2,000		1	
		<u>2,407</u>		<u>232</u>	
Creditors: amounts falling due within one year	15	(14,304)		(8,708)	
Net current liabilities			<u>(11,897)</u>		<u>(8,476)</u>
Total assets less current liabilities			<u>26,151</u>		<u>29,632</u>
Creditors: amounts falling due after more than one year	16		(40,000)		(40,000)
Net liabilities			<u>(13,849)</u>		<u>(10,368)</u>
Capital and reserves					
Called up share capital	18		1		1
Share premium account	19		85,880		85,880
Profit and loss account	19		(99,730)		(96,249)
Total shareholders' deficit			<u>(13,849)</u>		<u>(10,368)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 May 2017.


JR Atkinson
 Director

The notes on pages 10 to 25 form part of these financial statements.

SENAD INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 September 2015	1	85,880	(96,249)	(10,368)
Loss for the year	-	-	(3,481)	(3,481)
Total comprehensive income for the year	-	-	(3,481)	(3,481)
At 31 August 2016	1	85,880	(99,730)	(13,849)

SENAD INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 September 2014	1	85,880	(92,953)	(7,072)
Loss for the year	-	-	(3,296)	(3,296)
Total comprehensive income for the year	-	-	(3,296)	(3,296)
At 31 August 2015	1	85,880	(96,249)	(10,368)

The notes on pages 10 to 25 form part of these financial statements.

SENAD INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. General information

Senad Investments Limited is a private company limited by shares, registered in England and Wales. The address of the registered office and principal place of business is 1 St George's House, Vernon Gate, Derby, DE1 1UQ.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on a going concern basis, notwithstanding net current liabilities of £11,897,000 (2015 - £8,476,000) and net liabilities of £13,849,000 (2015 - £10,368,000), which the directors believe to be appropriate for the reasons set out below.

The company is dependent on inter-company debt due to other group companies not being called upon in order to meet its cash flow requirements over the next twelve months. The parent company, Senad Group Limited has indicated that they will not seek repayment of these inter-company debts within twelve months of the signing of these financial statements, unless the cash position of the companies affected supports this. However, as with any company placing reliance on its parent/group for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

2.3 Cash flow

The company, being a qualifying entity whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

2.4 Related party transactions

As the company is a wholly owned subsidiary, the company has taken advantage of the exemption contained within FRS 102 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 24.

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the delivery of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the delivery of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the life of the lease
Motor vehicles	- 25%
Fixtures & fittings	- 15%
Office equipment	- 15%
Computer equipment	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

SENAD INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SENAD INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

2.16 Taxation

Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

SENAD INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. Significant areas of estimation and judgement for the company include:

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and project disposal values.

Impairment of non-current assets

The directors assess the impairment of fixed asset investments when a trigger event occurs, or annually as appropriate.

4. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2016	2015
	£000	£000
Depreciation of tangible fixed assets	116	155
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	13	15
Other operating lease rentals	58	62
Defined contribution pension cost	68	63
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SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

6. Auditor's remuneration

	2016 £000	2015 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	13	15
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	-	2
	-	2

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	1,267	1,202
Social security costs	146	132
Cost of defined contribution scheme	68	63
	1,481	1,397

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Administrative	29	25

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

8. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	505	511
Company contributions to defined contribution pension schemes	52	47
	<u>557</u>	<u>558</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £152,000 (2015 - £143,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £28,000 (2015 - £21,000).

9. Interest payable and similar charges

	2016 £000	2015 £000
On loans from ultimate controlling party	1,682	1,861
	<u>1,682</u>	<u>1,861</u>

10. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	(234)	(241)
Total current tax	<u>(234)</u>	<u>(241)</u>

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.58%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	<u>(3,715)</u>	<u>(3,537)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.58%)	(743)	(728)
Effects of:		
Capital allowances for year in excess of depreciation	-	9
Utilisation of tax losses	-	(23)
Adjustment to deferred tax rate	7	-
Deferred tax not recognised	(11)	-
Transfer pricing adjustments	513	501
Total tax credit for the year	<u>(234)</u>	<u>(241)</u>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

SENAD INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. Tangible fixed assets

	S/Term Leasehold Property £000	Motor vehicles £000	Fixtures & fittings £000	Other fixed assets £000	Total £000
Cost or valuation					
At 1 September 2015	60	217	22	715	1,014
Additions	-	36	-	21	57
Disposals	-	(28)	-	-	(28)
At 31 August 2016	60	225	22	736	1,043
Depreciation					
At 1 September 2015	53	110	20	642	825
Charge for period on owned assets	2	51	1	62	116
Disposals	-	(27)	-	-	(27)
At 31 August 2016	55	134	21	704	914
Net book value					
At 31 August 2016	5	91	1	32	129
At 31 August 2015	7	107	2	73	189

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

12. Fixed asset investments

	Investments in subsidiary companies £000	Loans to subsidiaries £000	Total £000
Cost or valuation			
At 1 September 2015	42,303	17,000	59,303
At 31 August 2016	42,303	17,000	59,303
Impairment			
At 1 September 2015	21,384	-	21,384
At 31 August 2016	21,384	-	21,384
Net book value			
At 31 August 2016	20,919	17,000	37,919
At 31 August 2015	20,919	17,000	37,919

Direct subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
The Senad Group Limited	England & Wales	Ordinary	100 %	Intermediate holding company
Senad Holdings Limited	England & Wales	Ordinary	100 %	Intermediate holding company

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

12. Fixed asset investments (continued)

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Principal Care Services Limited	England & Wales	Ordinary	100 %	Intermediate holding company
Teme Valley Investments Limited	England & Wales	Ordinary	100 %	Intermediate holding company
Hanson Line Limited	England & Wales	Ordinary	100 %	Intermediate holding company
Senad Limited	England & Wales	Ordinary	100 %	Schools for children with special education needs and learning disabilities
Tregynon Hall Limited	England & Wales	Ordinary	100 %	Dormant company
Winslow Court Limited	England & Wales	Ordinary	100 %	Residential homes for adults with special education needs and learning disabilities
Aran Hall School Limited	England & Wales	Ordinary	100 %	School for children with special education needs and learning disabilities
Orchard School Limited	England & Wales	Ordinary	100 %	Dormant company
Rowden House School Limited	England & Wales	Ordinary	100 %	School for children with special education needs and learning disabilities
Orchard School Properties Limited	England & Wales	Ordinary	100 %	Dormant company
Ecclesbourne Plant Centre Limited	England & Wales	Ordinary	100 %	Garden centre & tea rooms
Senad Community Limited	England & Wales	Ordinary	100 %	Provider of specialist care for children and adults with challenging behaviours and learning difficulties

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

12. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 August 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
The Senad Group Limited	(12,283)	(165)
Senad Holdings Limited	1,176	81
Principal Care Services Limited	125	(1)
Teme Valley Investments Limited	224	36
Hanson Line Limited	(4,685)	(8)
Senad Limited	31,901	2,082
Tregynon Hall Limited	-	-
Winslow Court Limited	10,516	634
Aran Hall School Limited	6,555	824
Orchard School Limited	29	-
Rowden House School Limited	11,935	142
Orchard School Properties Limited	-	-
Ecclesbourne Plant Centre Limited	(256)	(33)
Senad Community Limited	151	53
	<u>45,388</u>	<u>3,645</u>

13. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	229	-
Prepayments and accrued income	178	231
	<u>407</u>	<u>231</u>

SENAD INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. Cash and cash equivalents

	2016	2015
	£000	£000
Cash at bank and in hand	2,000	1
Less: bank overdrafts	(7,928)	(6,587)
	<u>(5,928)</u>	<u>(6,586)</u>

15. Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Bank overdrafts	7,928	6,587
Trade creditors	169	80
Amounts owed to group undertakings	4,767	685
Accruals and deferred income	1,440	1,356
	<u>14,304</u>	<u>8,708</u>

16. Creditors: Amounts falling due after more than one year

	2016	2015
	£000	£000
Amounts owed to ultimate controlling party	40,000	40,000
	<u>40,000</u>	<u>40,000</u>

Secured loans

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 + 3.5%.

On 6th April 2017, the term of the loan was extended to 31st August 2022 and the amount outstanding was reduced to £32 million in return for issuing shares in the company.

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

17. Loans

Analysis of the maturity of loans is given below:

	2016 £000	2015 £000
Amounts falling due 2-5 years		
Amounts owed to ultimate controlling party	40,000	40,000
	<u>40,000</u>	<u>40,000</u>

18. Share capital

	2016 £000	2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
110,000 ordinary shares of £0.01 each	1	1
	<u>1</u>	<u>1</u>

19. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit & loss account

This reserve records the company's retained profits and losses.

20. Contingent liabilities

Cross guarantees are in place in relation to the group's loan with Qatar Holdings LLC of £40 million (2015 - £40 million). In addition the company is subject to a charge to Qatar Holdings LLC over all property and other assets held and all monies due or to become due.

21. Pension commitments

The company contributes to a number of defined contribution pension schemes. The pension cost charge for the year represents contributions payable to the schemes and amounted to £68,000 (2015 - £63,000).

There were no contributions outstanding at the end of the year (2015 - £NIL).

SENAD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

22. Commitments under operating leases

At 31 August 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Land & buildings		
Not later than 1 year	21	21
	<u>21</u>	<u>21</u>
	2016 £000	2015 £000
Other		
Not later than 1 year	18	19
Later than 1 year and not later than 5 years	20	17
	<u>38</u>	<u>36</u>

23. Related party transactions

At the year end a sum of £40 million (2015 - £40 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 16. During the year interest of £1.7 million (2015 - £1.9 million) was payable in respect of the loan.

24. Ultimate parent undertaking and controlling party

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 the ultimate controlling party, the Qatar Investment Authority.

SENAD INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

25. First time adoption of FRS 102

For all periods up to and including the year ended 31 August 2015, the company prepared its financial statements in accordance with the previously extant United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements, for the year ended 31 August 2016 are the first the Company has prepared in accordance with FRS 102. Accordingly, the company has prepared individual financial statements which comply with FRS 102 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 September 2015, the Company's date of transition to FRS 102, and sought to identify those changes in accounting policies and other restatements required for the first-time adoption of FRS 102. There were no adjustments identified by the company in restating its balance sheet as at 1 September 2015 prepared under previous UK GAAP and its previously published UK GAAP financial statements for the year ended 31 August 2015