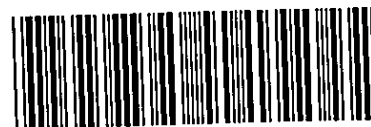

SENAD HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

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COMPANIES HOUSE

SENAD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	B Jones JR Atkinson
Company secretary	JR Atkinson
Company number	05271236
Registered office	1 St George's House Vernon Gate Derby DE1 1UQ
Auditors	KPMG LLP Chartered Accountants St Nicholas House Park Row Nottingham NG1 6FQ
Bankers	HSBC Bank PLC Midlands Corporate Banking Centre 120 Edmund Street Birmingham B3 2QZ
Solicitors	Marnott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH

SENAD HOLDINGS LIMITED

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SENAD HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2011

The directors present their report and the financial statements for the year ended 31 August 2011

Statement of directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- 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.

Principal activity

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

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

No dividends were received in the year (2010 £7,400,000)

No dividends were paid in the year (2010 £NIL)

Directors

The directors who served during the year were

B Jones
JR Atkinson

SENAD HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2011

Provision of information to auditors

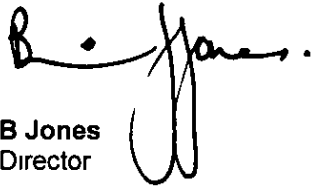
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 28 June 2012 and signed on its behalf



B Jones
Director

SENAD HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SENAD HOLDINGS LIMITED

We have audited the financial statements of Senad Holdings Limited for the year ended 31 August 2011, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Statement of directors' responsibilities, 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 Auditing Practices Board'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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

SENAD HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SENAD HOLDINGS LIMITED

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 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

Chartered Accountants

St Nicholas House
Park Row
Nottingham
NG1 6FQ

28 June 2012

SENAD HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	2011 £000	2010 £000
Administrative expenses		<u>(579)</u>	<u>(23)</u>
Operating loss	2	(579)	(23)
Income from other fixed asset investments		<u>-</u>	<u>7,400</u>
(Loss)/profit on ordinary activities before taxation		(579)	7,377
Tax on (loss)/profit on ordinary activities	4	<u>(10)</u>	<u>(10)</u>
(Loss)/profit for the financial year	9	<u>(589)</u>	<u>7,367</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account


The notes on pages 7 to 12 form part of these financial statements

SENAD HOLDINGS LIMITED
REGISTERED NUMBER 05271236

BALANCE SHEET
AS AT 31 AUGUST 2011

	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Tangible assets	5		700		1,279
Investments	6		11,676		11,676
			<u>12,376</u>		<u>12,955</u>
Creditors amounts falling due within one year	7		(5,561)		(5,551)
Total assets less current liabilities			<u>6,815</u>		<u>7,404</u>
Capital and reserves					
Called up share capital	8		1		1
Share premium account	9		28		28
Profit and loss account	9		6,786		7,375
Shareholders' funds	10		<u>6,815</u>		<u>7,404</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2012


J.R. Atkinson
Director

The notes on pages 7 to 12 form part of these financial statements

SENAD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property - 2% straight line

No depreciation is provided on freehold land or assets in the course of construction.

1.3 INVESTMENTS

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

1.4 GOING CONCERN

The company is a party to the group financing arrangements. Following the year end the primary funders recapitalised the group and exchanged £25 million of debt in consideration for the issue of further equity instruments in the ultimate holding company, Senad Group Limited. In addition to returning the group to net assets, the transaction also reduces the future interest burden on the group.

The directors have prepared forecasts for the group including cash flow forecasts which incorporate the new funding structure and are for a period in excess of 12 months from the signing of these financial statements. The forecasts demonstrate that the group has sufficient headroom within its revised facilities to meet its liabilities as they fall due. On this basis the directors believe it is appropriate to prepare the company's financial statements on a going concern basis.

1.5 RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary, the company has taken advantage of the exemptions 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 12.

SENAD HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

1. ACCOUNTING POLICIES (continued)

1.6 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 OPERATING LOSS

The operating loss is stated after charging

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- owned by the company	23	23
Impairment charge on tangible fixed assets	556	-
	<u><u> </u></u>	<u><u> </u></u>

Auditors' remuneration relating to this company has been borne by Senad Limited

The impairment charge on tangible fixed assets is included within administrative expenses

3. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2010 - £NIL)

4 TAXATION

	2011 £000	2010 £000
UK corporation tax charge on (loss)/profit for the year	10	10
	<u><u> </u></u>	<u><u> </u></u>

SENAD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

4. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 27 16% (2010 - 28%) The differences are explained below

	2011 £000	2010 £000
(Loss)/profit on ordinary activities before tax	<u>(579)</u>	<u>7,377</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27 16% (2010 - 28%)	(157)	2,066
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	151	-
Dividends from UK companies	-	(2,072)
Depreciation on non qualifying expenditure	6	6
Group relief surrendered	114	126
Transfer pricing adjustment	(104)	(116)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>10</u>	<u>10</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011 and a further reduction to 25 per cent with effect from 1 April 2012 These changes became substantively enacted on 29 March 2011 and 5 July 2011 respectively

The Chancellor proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above

SENAD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011

5 TANGIBLE FIXED ASSETS

	Freehold property £000
COST	
At 1 September 2010 and 31 August 2011	1,385
DEPRECIATION	
At 1 September 2010	106
Charge for the year	23
Impairment charge	556
At 31 August 2011	685
NET BOOK VALUE	
At 31 August 2011	700
<i>At 31 August 2010</i>	<i>1,279</i>

Included in freehold property is an amount of £207,750 (2010 - £207,750) relating to non-depreciable land

As a result of changes in the market for specialist education and the general economic environment, the group undertook a full impairment review during the year

As a result of this exercise, the Orchard School property was impaired by £556,000 to its net realisable value

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST OR VALUATION	
At 1 September 2010 and 31 August 2011	11,676

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company

Name	Nature of holding	Holding
Hanson Line Limited	Direct	100%
Aran Hall School Limited	Indirect	100%
Tregynon Hall Limited	Direct	100%
Orchard School Limited	Direct	100%
Orchard School Properties Limited	Direct	100%

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings

SENAD HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

6. FIXED ASSET INVESTMENTS (continued)

is not less than the amount included in the balance sheet

**7 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£000	£000
Amounts owed to group undertakings	5,551	5,541
Corporation tax	10	10
	5,561	5,551
	5,561	5,551

8. SHARE CAPITAL

	2011	2010
	£000	£000
ALLOTTED, CALLED UP AND FULLY PAID		
14,000 ordinary shares of £0.01 each	-	-
85,000 'A' ordinary shares of £0.01 each	1	1
	1	1
	1	1

CLASS RIGHTS

All shares rank pari passu in all respects

9 RESERVES

	Share premium account	Profit and loss account
	£000	£000
At 1 September 2010	28	7,375
Loss for the year	-	(589)
	28	6,786
At 31 August 2011	28	6,786

SENAD HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£000	£000
Opening shareholders' funds	7,404	37
(Loss)/profit for the year	(589)	7,367
	<hr/>	<hr/>
Closing shareholders' funds	6,815	7,404
	<hr/> <hr/>	<hr/> <hr/>

11. CONTINGENT LIABILITIES

Cross guarantees are in place in relation to the group's loan with Qatar Investment Authority of £65 million (2010 - £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 to become due

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a subsidiary of Senad Investments Limited, itself a wholly owned subsidiary of Senad Group Limited

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