
SENAD LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

FRIDAY



A29IPCGG

A44

31/05/2013

#203

COMPANIES HOUSE

SENAD LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | B Jones JR Atkinson |
| Company secretary | JR Atkinson |
| Company number | 01176549 |
| Registered office | 1 St George's House Vernon Gate Derby DE1 1UQ |
| Auditor | KPMG LLP Chartered Accountants St Nicholas House Park Row Nottingham NG1 6FQ |
| Bankers | HSBC Bank PLC Corporate Service Team 2nd Floor, 62-76 Park Street Southward London SE1 9DZ |
| Solicitors | Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH |

SENAD LIMITED

CONTENTS

| | Page |
|--|---------------|
| Directors' report | 1 - 2 |
| Independent auditor's report | 3 - 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 - 14 |

SENAD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2012

The directors present their report and the financial statements for the year ended 31 August 2012

Directors' responsibilities statement

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 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.

Principal activity

The principal activity of the company during the year was managing schools for children between the ages of five and nineteen years with speech and communication problems and learning difficulties combined with challenging and difficult behavioural problems. It is intended to continue with this activity for the foreseeable future.

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.

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 were paid during the year (2011 - £2,000,000)

SENAD LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2012**

Directors

The directors who served during the year were

B Jones
JR Atkinson

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 of the company as a whole. Communication with all employees is through the in-house newspaper, newsletters 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.

Provision of information to auditor

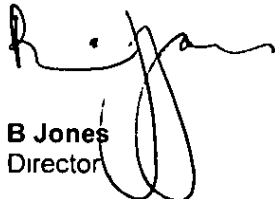
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 25 January 2013 and signed on its behalf



B Jones
Director

SENAD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SENAD LIMITED

We have audited the financial statements of Senad Limited for the year ended 31 August 2012, set out on pages 5 to 14. 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 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, 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 2012 and of its profit 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.

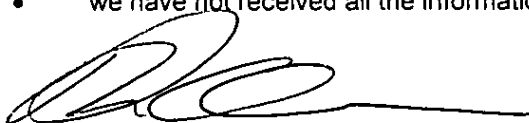
SENAD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SENAD 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 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

Chartered Accountants

St Nicholas House

Park Row

Nottingham

NG1 6FQ

25 January 2013

SENAD LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2012**

| | Note | 2012 £000 | 2011 £000 |
|--|------|-----------------|-----------------|
| Turnover | 2 | 17,151 | 17,943 |
| Cost of sales | | (11,853) | (12,875) |
| | | <hr/> | <hr/> |
| Gross profit | | 5,298 | 5,068 |
| Administrative expenses | | (2,528) | (2,370) |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | | 2,770 | 2,698 |
| Tax on profit on ordinary activities | 6 | (697) | (14) |
| | | <hr/> | <hr/> |
| Profit for the financial year | 12 | 2,073 | 2,684 |
| | | <hr/> | <hr/> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

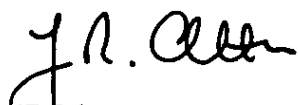
The notes on pages 7 to 14 form part of these financial statements

SENAD LIMITED
REGISTERED NUMBER: 01176549

BALANCE SHEET
AS AT 31 AUGUST 2012

| | Note | £000 | 2012 £000 | £000 | 2011 £000 |
|--|------|-----------------|---------------------|----------------|---------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 11,144 | | 11,032 |
| Current assets | | | | | |
| Debtors | 8 | 5,627 | | 1,984 | |
| Cash in hand | | 5 | | 6 | |
| | | <u>5,632</u> | | <u>1,990</u> | |
| Creditors amounts falling due within one year | 9 | <u>(10,144)</u> | | <u>(8,477)</u> | |
| Net current liabilities | | | <u>(4,512)</u> | | <u>(6,487)</u> |
| Total assets less current liabilities | | | <u>6,632</u> | | <u>4,545</u> |
| Provisions for liabilities | | | | | |
| Deferred tax | 10 | | <u>(135)</u> | | <u>(121)</u> |
| Net assets | | | <u><u>6,497</u></u> | | <u><u>4,424</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 45 | | 45 |
| Share premium account | 12 | | 2,800 | | 2,800 |
| Profit and loss account | 12 | | <u>3,652</u> | | <u>1,579</u> |
| Shareholders' funds | 13 | | <u><u>6,497</u></u> | | <u><u>4,424</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 January 2013


JR Atkinson
 Director

The notes on pages 7 to 14 form part of these financial statements

SENAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

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

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 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 |
| Plant & equipment | - | 15% - 25% straight line |
| Motor vehicles | - | 25% straight line |

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

1.4 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

1.5 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

SENAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

1 ACCOUNTING POLICIES (continued)

1.6 PENSIONS

The company contributes to a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the company. The amounts charged to the profit and loss account represent the contributions payable to the scheme in respect of the accounting period.

In addition, the company is a member of a larger industry wide pension scheme providing benefits to teaching staff based on final pensionable pay. The company's contributions are set in relation to the current service period only (ie are not affected by any surplus or deficit in the scheme relating to past service cost of its own employees or any other members of the scheme). As permitted by FRS 17 'Retirement benefits', the scheme has been accounted for in these financial statements as if the scheme was a defined contribution scheme.

1.7 GOING CONCERN

The company is a party to the group financing arrangements. During the year the primary funders reorganised the financing of the group and released £25 million of debt, with the consideration being 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.

1.8 RELATED PARTY TRANSACTIONS

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

1.9 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 TURNOVER

Turnover represents fees charged to service users at invoiced amounts in accordance with the principal activity. To the extent that invoices are raised in advance of the services being performed the income is deferred and the amounts treated as payments received on account within creditors.

All turnover arose within the United Kingdom.

SENAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

3. PROFIT

The profit is stated after charging

| | 2012 £000 | 2011 £000 |
|---------------------------------------|--------------|--------------|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 455 | 429 |
| Operating lease rentals | | |
| - plant and machinery | 31 | 28 |
| | <u>486</u> | <u>457</u> |

During the year, no director received any emoluments (2011 - £NIL)

4. AUDITORS' REMUNERATION

| | 2012 £000 | 2011 £000 |
|--|--------------|--------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 18 | 18 |
| Fees payable to the company's auditor and its associates in respect of | | |
| Other services relating to taxation | 13 | 13 |
| | <u>31</u> | <u>31</u> |

5 STAFF COSTS

Staff costs were as follows

| | 2012 £000 | 2011 £000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 9,779 | 10,044 |
| Social security costs | 793 | 837 |
| Other pension costs | 225 | 257 |
| | <u>10,797</u> | <u>11,138</u> |

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

| | 2012 No | 2011 No |
|--|------------|------------|
| Administrative, domestic and maintenance | 77 | 78 |
| Teaching | 89 | 104 |
| Care | 299 | 306 |
| | <u>465</u> | <u>488</u> |

SENAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

6. TAXATION

| | 2012 | 2011 |
|--|-------------|-------------|
| | £000 | £000 |
| ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR | | |
| CURRENT TAX (see note below) | | |
| UK corporation tax charge on profit for the year | 629 | 1 |
| Adjustments in respect of prior periods | 54 | (22) |
| TOTAL CURRENT TAX | 683 | (21) |
| DEFERRED TAX | | |
| Origination and reversal of timing differences | 11 | 23 |
| Adjustment in respect of prior years | 3 | 12 |
| TOTAL DEFERRED TAX (see note 10) | 14 | 35 |
| TAX ON PROFIT ON ORDINARY ACTIVITIES | 697 | 14 |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25 16% (2011 - 27 16%) The differences are explained below

| | 2012 | 2011 |
|--|--------------|--------------|
| | £000 | £000 |
| Profit on ordinary activities before tax | 2,770 | 2,698 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25 16% (2011 - 27 16%) | 697 | 733 |
| EFFECTS OF: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | 2 |
| Capital allowances for year in excess of depreciation | (22) | (28) |
| Adjustments to tax charge in respect of prior periods | 54 | (22) |
| Short term timing difference leading to a decrease in taxation | (1) | (6) |
| Depreciation on non qualifying expenditure | 48 | 48 |
| Group relief received for £nil consideration | - | (672) |
| Transfer pricing adjustment | (93) | (76) |
| CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR (see note above) | 683 | (21) |

SENAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

6 TAXATION (continued)**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2011) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 August 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

7 TANGIBLE FIXED ASSETS

| | Freehold property £000 | Plant & machinery £000 | Motor vehicles £000 | Total £000 |
|-----------------------|---------------------------------------|---|------------------------------------|-----------------------|
| COST | | | | |
| At 1 September 2011 | 11,629 | 2,049 | 213 | 13,891 |
| Additions | 447 | 85 | 36 | 568 |
| Disposals | - | - | (3) | (3) |
| At 31 August 2012 | <u>12,076</u> | <u>2,134</u> | <u>246</u> | <u>14,456</u> |
| DEPRECIATION | | | | |
| At 1 September 2011 | 1,500 | 1,235 | 124 | 2,859 |
| Charge for the year | 218 | 195 | 42 | 455 |
| On disposals | - | - | (2) | (2) |
| At 31 August 2012 | <u>1,718</u> | <u>1,430</u> | <u>164</u> | <u>3,312</u> |
| NET BOOK VALUE | | | | |
| At 31 August 2012 | <u>10,358</u> | <u>704</u> | <u>82</u> | <u>11,144</u> |
| At 31 August 2011 | <u>10,129</u> | <u>814</u> | <u>89</u> | <u>11,032</u> |

SENAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

8. DEBTORS

| | 2012 £000 | 2011 £000 |
|------------------------------------|--------------|--------------|
| Trade debtors | 728 | 1,742 |
| Amounts owed by group undertakings | 4,847 | - |
| Other debtors | 8 | 66 |
| Prepayments and accrued income | 44 | 176 |
| | <u>5,627</u> | <u>1,984</u> |

**9. CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2012 £000 | 2011 £000 |
|------------------------------------|---------------|--------------|
| Bank overdraft | 2,449 | 1,486 |
| Payments received on account | 6,079 | 5,251 |
| Trade creditors | 261 | 605 |
| Amounts owed to group undertakings | - | 304 |
| Corporation tax | 45 | - |
| Social security and other taxes | 454 | 463 |
| Other creditors | 489 | 58 |
| Accruals and deferred income | 367 | 310 |
| | <u>10,144</u> | <u>8,477</u> |

10 DEFERRED TAXATION

| | 2012 £000 | 2011 £000 |
|----------------------|--------------|--------------|
| At beginning of year | 121 | 86 |
| Charge for year | 14 | 35 |
| | <u>135</u> | <u>121</u> |

The provision for deferred taxation is made up as follows

| | 2012 £000 | 2011 £000 |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | 143 | 131 |
| Other timing differences | (8) | (10) |
| | <u>135</u> | <u>121</u> |

SENAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

11. SHARE CAPITAL

| | 2012 £000 | 2011 £000 |
|---|--------------|--------------|
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 45,000 ordinary shares of £1 each | <u>45</u> | <u>45</u> |

12. RESERVES

| | Share premium account £000 | Profit and loss account £000 |
|---------------------|-------------------------------------|------------------------------------|
| At 1 September 2011 | 2,800 | 1,579 |
| Profit for the year | - | 2,073 |
| | <u>2,800</u> | <u>3,652</u> |
| At 31 August 2012 | | |

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2012 £000 | 2011 £000 |
|-----------------------------|--------------|--------------|
| Opening shareholders' funds | 4,424 | 3,740 |
| Profit for the year | 2,073 | 2,684 |
| Dividends (Note 14) | - | (2,000) |
| | <u>6,497</u> | <u>4,424</u> |
| Closing shareholders' funds | | |

14. DIVIDENDS

| | 2012 £000 | 2011 £000 |
|----------------------------------|--------------|--------------|
| Dividends paid on equity capital | <u>-</u> | <u>2,000</u> |

15. CONTINGENT LIABILITIES

Cross guarantees are in place in relation to the group's loan with Qatar Holdings LLC Authority of £40 million (2011 - £65 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

SENAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

16. CAPITAL COMMITMENTS

At 31 August 2012 the company had capital commitments as follows

| | 2012 | 2011 |
|---|-------------|-------------|
| | £000 | £000 |
| Contracted for but not provided in these financial statements | 354 | 216 |

17 PENSION COMMITMENTS

The company contributes to a number of defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £225,000 (2011 - £257,000)

Contributions amounting to £29,000 (2011 - £32,000) were payable to the scheme at the year end and are included in creditors

18 OPERATING LEASE COMMITMENTS

At 31 August 2012 the company had annual commitments under non-cancellable operating leases as follows

| | 2012 | 2011 |
|-----------------------|-------------|-------------|
| | £000 | £000 |
| EXPIRY DATE: | | |
| Within 1 year | 5 | 8 |
| Between 2 and 5 years | 36 | 20 |

19 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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