

Speciality Equestrian Centre Limited
Annual report and financial statements
for the year ended 31 December 2009

Registered number 3156702

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Speciality Equestrian Centre Limited

Annual report and financial statements for the year ended 31 December 2009

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Speciality Equestrian Centre Limited

Directors and advisors

Executive Directors

Ted Smith
David Manson
Christine Cameron
Julian Ball

Secretary

Scott Morrison
Craegmoor House
Perdiswell Park
Worcester
WR3 7NW

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Solicitors

Pinsent Masons
3 Colmore Circus
Birmingham
B4 6BH

DLA Piper (UK) Solicitors LLP
3 Noble Street
London
EC2V 7EE

Registered Office

Craegmoor House
Perdiswell Park
Worcester
WR3 7NW

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Allied Irish Banks Plc
St Helen's
1 Undershaft
London
EC3A 8AB

Speciality Equestrian Centre Limited

Directors' report for the year ended 31 December 2009

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal activities

The Company was dormant throughout the year ended 31 December 2009 and therefore generated neither a profit or a loss

Review of business and future developments

During the year the Company has not traded. There are no plans for the Company to recommence trading in the foreseeable future.

Results and dividends

The profit and loss account shows neither a profit nor loss after tax for the year (2008: loss of £15,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008: £Nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Craegmoor Group Limited (formerly Craegmoor Topco Limited), its ultimate parent company in the United Kingdom, and are not managed separately. Accordingly, the principal risks and uncertainties of the Craegmoor Group Limited group ("the Group"), which include those of the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009 which does not form part of this report.

Key Performance Indicators ("KPIs")

The directors of Craegmoor Group Limited manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe that analysis using separate key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Craegmoor Group Limited group, which includes the Company, is discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009.

Directors

The following Directors have held office for the whole year and up to the date of signing the financial statements unless otherwise stated:

Ted Smith	
Charles Cameron	Resigned 20 February 2009
David Manson	
Christine Cameron	Appointed 16 June 2009
Julian Ball	Appointed 30 September 2009

Financial instruments

The Company's financial instruments primarily comprise debtors and creditors with other group companies arising directly from its operations. No trading in financial instruments has been undertaken.

There are no significant risks arising directly from the Company's financial instruments. However, the Company is reliant on the ongoing support of the Craegmoor Group, which has long term financing and overdraft facilities in place. The board of Craegmoor Group Limited, the ultimate UK parent undertaking, has reviewed and agreed the policies for managing the risks related to these facilities as set out below.

Speciality Equestrian Centre Limited

Directors' report for the year ended 31 December 2009 (continued)

Financial instruments (continued)

Liquidity risk

The Group has secured long term financing and revolving credit facilities with financial institutions, which have high credit ratings that are designed to ensure the Group has sufficient available funds for operations. The majority of the £215,938,000 (2008: £216,682,000) debt held by the Group, in the form of loan notes and bank loans (but excluding preference shares and finance leases), is repayable in 2016 to 2018.

Interest rate and cash flow risk

The Group has entered into interest rate swaps to ensure certainty over future interest cash flows. As a consequence, 100% (2008: 77%) of the Group's borrowings are at fixed rates of interest.

Going Concern

The Company is a subsidiary of Speciality Care Limited which owns a number of companies which operate loss making homes. As a consequence of this, Speciality Care Limited and its subsidiaries are reliant on the ongoing financial support and funding of Craegmoor Group Limited, the ultimate parent undertaking, in the United Kingdom, in order to continue as a going concern for a period of not less than twelve months from the date of approval of these financial statements.

The Directors of Craegmoor Group Limited have indicated that they are prepared to continue to provide this funding for the intermediate future being at least for the next twelve months and the financial statements have therefore been prepared on a going concern basis.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Speciality Equestrian Centre Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of disclosure of information to auditors

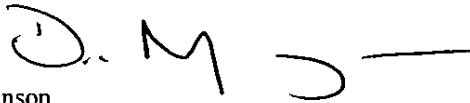
In the case of each of the persons who are directors at the time when the report is approved the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent Auditors

The Company has elected, in accordance with section 487 of the Companies Act 2006, to dispense with the obligation to appoint auditors annually

By order of the Board

A handwritten signature in black ink, appearing to read 'D. M.' followed by a long horizontal stroke.

David Manson
Director
7 May 2010

Independent auditors' report to the members of Speciality Equestrian Centre Limited

We have audited the financial statements of Speciality Equestrian Centre Limited for the year ended 31 December 2009 which comprise the Profit and loss account, the Balance sheet and the related notes. 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).

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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 December 2009 and of its result 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

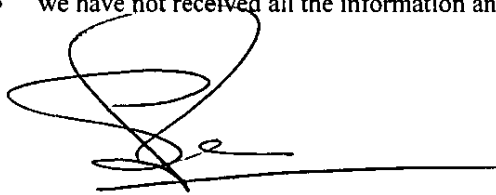
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Speciality Equestrian Centre 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

A handwritten signature in black ink, appearing to be 'S. Rowe', written over a horizontal line.

Stephen Rowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
7 May 2010

Speciality Equestrian Centre Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover		-	(15)
Administrative expenses		-	-
Operating loss	4	-	(15)
Loss on ordinary activities before taxation		-	(15)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	10	-	(15)

All activities relate to discontinued operations

There were no other recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

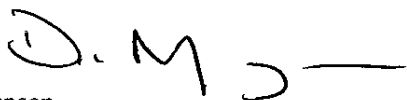
There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

Speciality Equestrian Centre Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Current assets			
Debtors	6	46	46
		46	46
Creditors amounts falling due within one year	7	(50)	(50)
Net current liabilities		(4)	(4)
Creditors amounts falling due after more than one year	8	(93)	(93)
Net liabilities		(97)	(97)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss reserve	10	(97)	(97)
Total shareholders' deficit	11	(97)	(97)

The financial statements on pages 7 to 12 were approved by the Board of Directors on 7 May 2010 and signed on its behalf by



David Manson
Director
Company registered number 3156702

Speciality Equestrian Centre Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

1 Principal accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

Going Concern

The Company is a subsidiary of Speciality Care Limited which owns a number of companies which operate loss making homes. As a consequence of this, Speciality Care Limited and its subsidiaries are reliant on the ongoing financial support and funding of Craegmoor Group Limited, the ultimate parent undertaking, in the United Kingdom, in order to continue as a going concern for a period of not less than twelve months from the date of approval of these financial statements.

The Directors of Craegmoor Group Limited have indicated that they are prepared to continue to provide this funding for the intermediate future being at least for the next twelve months and the financial statements have therefore been prepared on a going concern basis.

Corporation tax

UK Corporation Tax is provided at amounts expecting to be paid (or recovered) using the tax rates and bases that have been enacted, or substantially enacted by the balance sheet date. Corporation tax payable may be reduced wholly or in part by the surrender of losses by fellow group companies. Payments made, if any, to surrendering companies for losses are reflected in the tax charge.

Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is only recognised to the extent that the transfer of economic benefits in the future is deemed to be more likely than not. Deferred tax assets and liabilities recognised are not discounted.

Cash flow statement

The Company is a wholly owned subsidiary of Craegmoor Group Limited, and the cash flows of the Company are included in the consolidated group cash flow statement of that company. Consequently, the Company is exempt under the terms of FRS 1 (Revised) from publishing a cash flow statement.

2 Directors' emoluments

The emoluments of the Directors were paid by Craegmoor Facilities Company Limited, a fellow subsidiary of Craegmoor Group Limited. The Directors were also directors of a number of other fellow subsidiaries during the year ended 31 December 2009 and 31 December 2008 and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the emoluments of the Directors are disclosed within the accounts of Craegmoor Facilities Company Limited.

3 Employee information

The Company has no employees other than directors (2008: None).

4 Operating loss

The audit fee for the Company for the year ended 31 December 2009 of £1,500 (2008: £2,000) is borne by a fellow subsidiary company, without recourse to the Company.

Speciality Equestrian Centre Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Tax on loss on ordinary activities

There is no current or deferred tax charge for the year (2008 £Nil). The tax for the period differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2009 of 28% (2008 28.5%). The differences are explained below

	2009 £'000	2008 £'000
Loss on ordinary activities before taxation	-	(15)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	-	(4)
Effects of		
Transfer pricing adjustment	(3)	(2)
Group relief surrendered not paid for	3	6
Current tax charge	-	-

6 Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	46	46

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

7 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to group undertakings	50	50

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

8 Creditors: amounts falling due after more than one year

	2009 £'000	2008 £'000
Amounts owed to group undertakings	93	93

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the relevant group undertaking has confirmed to the Directors of the Company that it will not seek any repayments of this loan within 12 months after the year-end

Speciality Equestrian Centre Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Called up share capital

	2009 £'000	2008 £'000
Authorised		
1,000 (2008 1,000) ordinary shares of £1 each	1	1
Issued and fully paid		
2 (2008 2) ordinary shares of £1 each	-	-

10 Profit and loss reserve

	£'000
At 1 January 2009 and 31 December 2009	(97)

11 Reconciliation of movements in shareholders' deficit

	2009 £'000	2008 £'000
Loss for the financial year	-	(15)
Increase in shareholders' deficit	-	(15)
Opening shareholders' deficit	(97)	(82)
Closing shareholders' deficit	(97)	(97)

12 Post balance sheet events

The Directors do not consider there have been any material events since the year end requiring disclosure in accordance with FRS 21 "Events after the Balance Sheet Date"

13 Contingent liabilities

There is a fixed and floating charge over the assets of the Company and certain of its fellow subsidiaries in respect of an external loan undertaken by an intermediate parent undertaking. Amounts drawn down on the facility of £192,622,000 (2008 £207,000,000) amounted to £179,767,000 (2008 £179,023,000) inclusive of accrued interest, as at 31 December 2009.

14 Capital commitments

As at 31 December 2009 the Company had instructed suppliers to carry out work on ongoing capital projects with a total value of £Nil (2008 £Nil).

15 Related party transactions

The Company has taken advantage of the exemption granted under paragraph 5 of the amendment to FRS 8 and not disclosed any transactions with other group companies where they are wholly owned by a common parent.

Speciality Equestrian Centre Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

16 Immediate and ultimate parent companies

The Directors regard Speciality Care Limited, a company registered in England and Wales, as the immediate parent company of Speciality Equestrian Centre Limited, and Craegmoor Group Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom. The ultimate controlling party is Advent Miro (Cayman) Limited, registered in the Cayman Islands.

Craegmoor Group Limited is the parent company of the largest and smallest group in which Speciality Equestrian Centre Limited is consolidated. Copies of Craegmoor Group Limited's consolidated financial statements may be obtained from its registered office, Craegmoor House, Perdiswell Park, Worcester, WR3 7NW.