

Company registration number 04980216 (England and Wales)

FALCON SUPPORT SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

FALCON SUPPORT SERVICES LIMITED

COMPANY INFORMATION

Directors JS Gordon
ID Lamerton
AJ Watson
GM Beazley-Long

Secretary Resolis Limited

Company number 04980216

Registered office 1 Park Row
Leeds
United Kingdom
LS1 5AB

Auditor BDO LLP
55 Baker Street
London
W1U 7EU

FALCON SUPPORT SERVICES LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Directors' responsibilities statement	6
Independent auditors' report	7 - 10
Profit and loss account	11
Statement of comprehensive income	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15 - 27

FALCON SUPPORT SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023. These financial statements have been prepared under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

The company was incorporated in Great Britain, registered in England and Wales and is domiciled in the United Kingdom.

Business review and principal activities

The company's principal activity is undertaking a Private Finance Initiative (PFI) concession contract with the MOD to design, build, finance and operate accommodation facilities at the Fleet Accommodation Centre in Devonport, Plymouth. The contract was signed in July 2004. Building activities commenced from that date and completed on 28 March 2008. Interim service operations on the existing building commenced in October 2004 and increased in stages to reach full service operations for the whole site from April 2008. The contract is scheduled to complete in March 2029.

There have not been any changes in the company's activities in the year under review, and the directors are not aware, at the date of the report, of any likely changes next year.

As shown in the company's profit and loss account on page 11, the company's turnover increased by £159,000 to £22,588,000 (2022: turnover increased by £1,021,000). This is primarily due to indexation uplifts in the company's PFI agreements. The company declared a profit before tax this year of £3,440,000 (2022: £2,468,000) and declared a profit after tax of £2,786,000 (2022: £1,999,000).

In the year there has been a decrease in the fair value of the interest swap recorded as a liability (2023: £842,000; 2022: £3,460,000). The fair value of the interest rate swap has to be recorded in the balance sheet under FRS 102 accounting requirements.

Dividends of £3,127,157 (2022: £1,993,786) were declared and paid in the year. Since the year end, additional dividends of £1,192,483 have been paid in respect of the financial year ending 31 March 2024.

The company's operations are managed under the supervision of its shareholders and lender and are largely determined by the detailed terms of the PFI contract. For this reason, the company's directors believe that further key performance indicators for the business are not necessary or appropriate for an understanding of the performance of financial position of the business.

The PFI contract and related subcontracts are fixed for the life of the contract and this enables the company to have a reasonable certainty over its income and expenditure over the life of the contract. In addition, the company has a Credit Agreement in place with its lender which fixes the level of borrowing and repayments due until the loan is fully repaid in 2027.

The delivery of the operational services is generally running well and is expected to continue to do so.

FALCON SUPPORT SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

The company's principal activity as detailed above is risk averse as its trading relationships with its customer, lender and subcontractor are determined by the terms of their respective detailed PFI contracts. Its main exposure is to financial risks as detailed in the following section.

One of the risks of the company is that services may not continue due to the financial failure of the company's subcontractor. The financial stability of the facilities management company is being monitored on a continuous basis. The directors have reviewed the benchmarking information on the facilities management contract fee and are comfortable that this is a market rate which would enable replacement of the subcontractor for a similar fee.

Interest rate risk

The company hedged its interest rate risk at the inception of the project by swapping its variable rate debt into a fixed rate by using an interest rate swap agreement.

Inflation risk

The company's contract revenue and most of its costs were linked to inflation at the inception of the project, resulting in the project being largely insensitive to inflation.

Liquidity risk

The company adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations as they fall due. Due to the nature of the project, cash flows are reasonably predictable and so in the normal course of business this is not a major risk to the company.

Credit risk

The company receives the bulk of its revenue from a government department and its exposure to credit risk is therefore significantly reduced.

Cash investments and the interest rate swap agreements are with institutions of a suitable credit quality.

Lifecycle risk

Lifecycle expenditure is a significant risk to the business. The risk being that the allowance for lifecycle costs factored into the financial model is insufficient to cover future lifecycle expenditure, thus resulting in lower profitability and reduced distribution. This is mitigated by regular lifecycle reviews undertaken by the management services provider and a detailed lifecycle review performed every 5 years. Any savings against the lifecycle cost profile forecast at the inception of the contract are retained by the company with 25% of such savings reserved for the lifecycle contractor, to be paid at the end of the concession.

Ownership

The company is owned by its immediate parent company Falcon Support Services (Holdings) Limited and its ultimate parent companies are as detailed in Note 19.

FALCON SUPPORT SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Going concern

The directors have prepared a detailed model forecasting the performance of the contract to completion incorporating the relevant terms of the contract, subcontracts, Credit Agreement and reasonably prudent economic assumptions. This forecast, which is updated regularly, predicts that the company will be profitable and will have sufficient cash resources to operate within the terms of the contract, subcontracts and Credit Agreement. The directors have assessed the viability of its main sub-contractors and are satisfied in their ability to provide the services in line with the contractual terms. The directors have also sensitised the impact of increase lifecycle costs over the remainder of the concession period and consider there to be sufficient headroom for the company to operate in without breaching lender covenants.

The net current assets of the company remain positive. However, the company is in a net liability position due to the inclusion of the hedge reserve on the balance sheet and the negative retained earnings at the year end. The hedge reserve will unwind completely over the term of the hedge, while the retained earnings had returned to a positive position within the first quarter following the year end.

Therefore, the directors, having considered the financial position of the company and its expected future cash flows, have prepared the financial statements on a going concern basis. The directors confirm that they do not intend to liquidate the company or cease trading as they have realistic alternatives to doing so.

The directors confirm the completeness of information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including plans for future actions.

On behalf of the board

AJ Watson
Director

18 March 2024

FALCON SUPPORT SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company is undertaking a Private Finance Initiative (PFI) concession contract with the MOD, to design, build, finance and operate accommodation facilities at the Fleet Accommodation Centre in Devonport, Plymouth.

Strategic report

The information that fulfils the Companies Act requirements of the business review are included in the strategic report. This includes a review of the development of the business of the company during the year, of its financial position at the end of the year including a going concern statement, financial risk exposure and management.

Details of the principal risks, uncertainties and financial risk management are found within the strategic report.

Results and dividends

The results for the year are set out in the Profit and Loss account.

Ordinary dividends were declared and paid amounting to £3,127,157 (2022: £1,993,786).

The Directors note the requirements under Companies Act 2006 Part 23, including Sections 836 and 838, to ensure that interim accounts are prepared using reasonable judgments to justify dividend payments. At the time the interim dividends were declared there were believed to be sufficient retained earnings to justify payment of the dividend. However, an audit adjustment relating to the previous year then reduced opening retained earnings and meant there were no longer sufficient realised reserves to cover all the dividends which were paid in the year. The company therefore had negative retained earnings at 31 March 2023 and consequently £212,000 of dividends paid were subsequently deemed to be unlawful. External legal advice was sought regarding this and as a result the shareholders confirmed that distributable profits of the company are to be appropriated to the payment of the part of the distribution which was unlawful. The company has also confirmed its intention to waive and release any and all claims which it may have against its shareholders and directors in connection with this distribution. The company remains profitable, and had returned to positive retained earnings within three months following the year end.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

JS Gordon	
ID Lamerton	
H O'Gorman	(Resigned 26 April 2023)
AJ Watson	
GM Beazley-Long	

The directors holding office at 31 March 2023 did not hold any beneficial interest in the issued share capital of the company at 1 April 2022 or 31 March 2023.

No appointments or resignations of directors occurred between the year end and the date of approval of these financial statements other than detailed above.

Directors' indemnity insurance

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, BDO LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

FALCON SUPPORT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies through its subcontractors to reduce any damage that might be caused by the company's activities.

Political donations and expenditure

There have been no political donations or political expenditure made during the year (2022: Nil).

On behalf of the board

AJ Watson
Director

18 March 2024

FALCON SUPPORT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

FALCON SUPPORT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FALCON SUPPORT SERVICES LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 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.

We have audited the financial statements of Falcon Support Services Limited ("the Company") for the year ended 31 March 2023 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Illegal dividends paid during the year

We draw your attention to Note 8 of the financial statements, which identifies that during the year a portion of dividend paid by the Company during the year amounting to £212,000 was considered unlawful and not in accordance with the Companies Act 2006.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

FALCON SUPPORT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF FALCON SUPPORT SERVICES LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- 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 the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

FALCON SUPPORT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF FALCON SUPPORT SERVICES LIMITED

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on our understanding of the company and the industry in which it operates, discussion with management and those charged with governance, and obtaining an understanding of the company's policies and procedures regarding compliance with laws and regulations, we considered the significant laws and regulations to be the applicable accounting framework and the Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations; and
- Making enquiries of management, those charged with governance and those responsible for legal and compliance procedures as to whether there was any correspondence from relevant regulators in so far as the correspondence related to financial statements.

Irregularities including fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the company's policies and procedures relating to detecting and responding to the risks of fraud; and internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statement.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the company's assets.

Our procedures in respect of the above included:

- Challenging assumptions and judgements made by management in areas involving significant estimates, with the key sources of estimation identified as the determination of service margins and completeness of lifecycle costs; and
- We tested journal entries based on identified characteristics the audit team considered could be indicative of fraud, as well as unusual transactions based upon our knowledge of the business by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one due to error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

FALCON SUPPORT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF FALCON SUPPORT SERVICES LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Use of our report

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.

Cassie Forman-Kotsapa (Senior Statutory Auditor)
For and on behalf of BDO LLP

18 March 2024

Chartered Accountants
Statutory Auditor

55 Baker Street
London
W1U 7EU

FALCON SUPPORT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Turnover	2	22,588	22,429
Cost of sales		(18,592)	(18,731)
Gross profit		3,996	3,698
Administrative expenses		(1,025)	(1,080)
Operating profit	3	2,971	2,618
Interest receivable and similar income	5	3,479	3,279
Interest payable and similar expenses	6	(3,010)	(3,429)
Profit before taxation		3,440	2,468
Tax on profit	7	(654)	(469)
Profit for the financial year		2,786	1,999

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FALCON SUPPORT SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£000	£000
Profit for the year	2,786	1,999
	<u> </u>	<u> </u>
Other comprehensive income		
Cash flow hedge gain	2,617	3,597
Tax relating to other comprehensive income	(654)	(699)
	<u> </u>	<u> </u>
Other comprehensive income for the year	1,963	2,898
	<u> </u>	<u> </u>
Total comprehensive income for the year	4,749	4,897
	<u> </u>	<u> </u>

FALCON SUPPORT SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£000	£000	£000	£000
Current assets					
Debtors falling due after more than one year					
	9	23,191		27,700	
Debtors falling due within one year	9	7,394		8,376	
Cash at bank and in hand		17,382		16,562	
		<u>47,967</u>		<u>52,638</u>	
Creditors: amounts falling due within one year	12	(20,074)		(18,478)	
		<u></u>		<u></u>	
Net current assets			27,893		34,160
Creditors: amounts falling due after more than one year	13		(28,727)		(36,616)
			<u>(834)</u>		<u>(2,456)</u>
Net liabilities			<u></u>		<u></u>
Capital and reserves					
Share capital	15		10		10
Hedging reserve	16		(632)		(2,595)
Profit and loss reserves	17		(212)		129
			<u>(834)</u>		<u>(2,456)</u>
Total equity			<u></u>		<u></u>

The financial statements were approved by the board of directors and authorised for issue on 18 March 2024 and are signed on its behalf by:

AJ Watson
Director

Company Registration No. 04980216

FALCON SUPPORT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Hedging reserve	Profit and loss reserves	Total
	Notes	£000	£000	£000	£000
Balance at 1 April 2021		10	(5,493)	124	(5,359)
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	2,898	1,999	4,897
Dividends	8	-	-	(1,994)	(1,994)
Balance at 31 March 2022		10	(2,595)	129	(2,456)
Year ended 31 March 2023:					
Profit and total comprehensive income for the year		-	1,963	2,786	4,749
Dividends	8	-	-	(3,127)	(3,127)
Balance at 31 March 2023		10	(632)	(212)	(834)

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Falcon Support Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 2.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

The company's parent undertaking has been notified of and did not object to the use of these disclosure exemptions.

Related party exemption

The company is a wholly owned subsidiary of Falcon Support Services (Holdings) Limited and as such has taken advantage of exemption, under the terms of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose related party transactions with wholly owned subsidiaries within the group.

1.2 Going concern

The directors have prepared a detailed model forecasting the performance of the contract to completion incorporating the relevant terms of the contract, subcontracts, Credit Agreement and reasonably prudent economic assumptions. This forecast, which is updated regularly, predicts that the company will be profitable and will have sufficient cash resources to operate within the terms of the contract, subcontracts and Credit Agreement. The directors have assessed the viability of its main sub-contractors and are satisfied in their ability to provide the services in line with the contractual terms. The directors have also sensitised the impact of increase lifecycle costs over the remainder of the concession period and consider there to be sufficient headroom for the company to operate in without breaching lender covenants. Therefore, the directors, having considered the financial position of the company and its expected future cash flows, have prepared the financial statements on a going concern basis. The directors confirm that they do not intend to liquidate the company or cease trading as they have realistic alternatives to doing so.

The net current assets of the company remain positive. However, the company is in a net liability position due to the inclusion of the hedge reserve on the balance sheet and the negative retained earnings at the year end. The hedge reserve will unwind completely over the term of the hedge, while the retained earnings had returned to a positive position within the first quarter following the year end.

The directors confirm the completeness of information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including plans for future actions.

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates are reviewed on a periodic basis and updated as required.

Estimates

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both the current and future periods.

Key source of estimation uncertainty:

- Accounting for the service concession contract and finance asset require an estimation of service margins, finance debtors interest rate and associated amortisation profile which is based on forecast results of the PFI contract.
- Critical judgements in applying the company's accounting policies as discussed in detail within the relevant Accounting Policy:
 - Derivative financial instruments are held at fair value;
 - Applicability of hedge accounting
- Lifecycle costs are a significant proportion of future expenditure. Given the length of the Company's service concession contract, the forecast of lifecycle costs is subject to significant estimation uncertainty and changes in the amount and timing of expenditure could have material impacts. As a result, there is a significant level of judgement applied in estimating future lifecycle costs. To reduce the risk of misstatement, future estimates of lifecycle expenditure are prepared by maintenance experts on an asset by asset basis and periodic technical evaluations of the physical condition of the facilities are undertaken.

1.4 Service concessions

The company chose to adopt the transitional arrangements available under FRS 102, Section 35.10(i) and as such the service concession arrangement has continued to be accounted for using the same accounting policies being applied at the date of transition to FRS 102 (1 January 2014). The nature of the asset has therefore not changed.

Under the terms of the arrangement, the company has the right to receive a baseline contractual payment stream for the provision of the service from the grantor (the Authority), and as such the asset is accounted for as a financial asset. The financial asset has initially been recognised at the fair value of the consideration received, based on the fair value of the construction (or upgrade) services, plus any directly attributable transaction costs, provided in with FRS 102.

Revenue is recognised from the supply of services, which represents the timing of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Turnover

Turnover is recognised in accordance with the PFI contracts accounting policy and excludes discounts, rebates and value added tax.

PFI contracts

The company has taken advantage of exemptions made available under section 35.10(i) of FRS 102, which permits it to continue to account for the service concession arrangement under the accounting policies adopted under the old UK GAAP. As such there has been no substantial change to the treatment of the financial asset receivable due to the adoption of the standard.

During the period of construction, costs incurred as a direct consequence of designing and constructing the facilities, excluding finance costs, were shown as work in progress. Costs of financing were expensed during the period of construction. On completion, credit was taken for the deemed sale, which was recorded within turnover. The construction expenditure and associated costs were reallocated to cost of sales. Amounts receivable were classified as a financial asset receivable (PFI contract debtor).

Contractual unitary payment revenues received from the customer in the operational phase are apportioned between capital repayments, finance income and operating revenue. Variation and income arising from additional work requests are recognised as they are incurred.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents includes £12,324,000 (2022: £11,021,000) being held in the Company's reserve accounts in line with the Company's contractual obligations.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash at bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised costs using the effective interest rate method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of the interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to net carrying amount on initial recognition.

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Share capital

Share capital recognised at amortised cost represents the amount of equity in the form of shares invested by the shareholders.

Profit and loss account

The profit and loss account represents cumulative profits and losses.

1.11 Lifecycle costs

Under the terms of the PFI contract, the company has a programme of expenditure for the maintenance of and replacement of non-moveable assets in the facilities. In recognition of this obligation, the company has created a lifecycle expenditure accrual to record the difference between the annual charge for maintenance prescribed by the contract terms and those actually incurred.

1.12 Debt policies

Interest bearing bank loans are recorded at the proceeds received net of direct issue costs. Finance charges including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the statement of comprehensive income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financing charges

Costs of financing during both the construction and operational periods are expensed as they arise.

Capital commitments

There are no capital commitments (2022: £nil).

Borrowing costs

It is company policy to expense borrowing costs during the construction phase. Cumulative borrowing costs of £11.3 million were expensed during that period.

All borrowing costs continue to be expensed since commencement of the operational phase in April 2008.

2 Turnover

The turnover and profit before taxation are attributable to one principal activity of the company.

	2023	2022
	£000	£000
Turnover analysed by class of business:		
Unitary payment revenue	20,772	18,223
Variation income	1,816	4,206
	<u>22,588</u>	<u>22,429</u>

The turnover arose entirely within the United Kingdom and through one principal activity.

Turnover, which is stated net of value added tax, represents amounts invoiced for services provided, and is recognised each year as the applicable portions of the amounts receivable relating to finance and operating costs calculated on a consistent basis (see accounting policy note 1.5).

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Operating profit

	2023 £000	2022 £000
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	25	21
Fees payable to the company's auditor for corporation tax compliance	4	4
	<u>29</u>	<u>25</u>

4 Employees and directors

The company had no employees during the year (2022: Nil).

Service fees are payable to the company's ultimate shareholders for the directors' services to the company during the year. The amounts paid are in note 20 of the parent company 'Falcon Support Services (Holdings) Limited' (Related Parties) as Services.

5 Interest receivable and similar income

	2023 £000	2022 £000
Interest income		
Interest on bank deposits	447	15
Interest receivable on finance debtor	3,032	3,264
	<u>3,479</u>	<u>3,279</u>
Total income	<u>3,479</u>	<u>3,279</u>

6 Interest payable and similar expenses

	2023 £000	2022 £000
Interest on financial liabilities measured at amortised cost:		
Interest on bank loans	1,210	540
Interest payable to group undertakings	808	868
Other finance costs:		
Interest payable on derivative financial instruments	992	2,021
	<u>3,010</u>	<u>3,429</u>

7 Taxation

	2023 £000	2022 £000
Current tax		
UK corporation tax on profits for the current period	654	469
	<u>654</u>	<u>469</u>

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £000	2022 £000
Profit before taxation	3,440	2,468
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2022: 19%)	654	469
Taxation charge in the financial statements	654	469

Tax effects relating to effects of other operating income

The effective portion of change in the fair value of hedges resulted in a credit of £2,617,000 (2022: credit £3,597,000), with a deferred tax impact of £654,000 (2022: £699,000).

Factors that may effect future tax charges

A change to the future UK corporation tax was announced in the March 2021 Budget. The rate increased to 25% with effect from 1 April 2023, and therefore a rate of 25% has been used in the deferred tax calculation.

There is a deferred tax asset relating to the interest rate derivative which will unwind over the term of the hedging agreement. All movements in the deferred tax have been recognised in other comprehensive income.

The company had no tax losses brought forward or carried forward and consequently there is no unrecognised deferred tax asset.

8 Dividends

	2023 Per share £	2022 Per share £	2023 Total £000	2022 Total £000
Ordinary shares				
Interim paid	312.70	194.40	3,127	1,994

At the time the interim dividends were declared there were believed to be sufficient retained earnings to justify payment of the dividend. However, an audit adjustment relating to the previous year then reduced opening retained earnings and meant there were no longer sufficient realised reserves to cover all the dividends which were paid in the year. The company therefore had negative retained earnings at 31 March 2023 and consequently £212,000 of dividends paid were subsequently deemed to be unlawful. External legal advice was sought regarding this and as a result the shareholders confirmed that distributable profits of the company are to be appropriated to the payment of the part of the distribution which was unlawful. The company has also confirmed its intention to waive and release any and all claims which it may have against its shareholders and directors in connection with this distribution.

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Debtors

	2023 £000	2022 £000
Amounts falling due within one year:		
Trade debtors	2,777	4
Deferred tax	136	230
Finance debtor - due within 1 year	4,066	3,998
VAT receivable	-	579
Prepayments and accrued income	415	3,565
	<u>7,394</u>	<u>8,376</u>
Amounts falling due after more than one year:		
Deferred tax	74	635
Finance debtor - due after more than 1 year	23,117	27,065
	<u>23,191</u>	<u>27,700</u>
Total debtors	<u>30,585</u>	<u>36,076</u>

The deferred tax asset represents the deferred tax on the revaluation of the fair value of the interest rate swap. The net reversal of the deferred tax asset expected to occur in the next reporting period is estimated to be £136,000 based on the anticipated recycling of cash flow hedges to profit and loss and changes to the fair values of the cash flow hedges.

The Finance Debtor balance reflects the value of the amount receivable under the PFI contract with the Authority, less the value of the services that have been delivered to date, in line with accounting policy 1.4. The Unitary Charge Control account (UCCA, being the excess of cash received compared to amounts recognised in accordance with the service concession accounting policy) is included net against the finance debtor balance stated above. The balance in the UCCA at 31 March 2023 is a credit balance of £5,256,000 (2022: £5,584,000).

10 Financial instruments

	2023 £000	2022 £000
Financial assets that are debt instruments		
Finance debtor	27,183	31,063
Trade debtors	2,777	4
	<u></u>	<u></u>
Financial liabilities in effective hedging relationship:		
Derivative financial instruments - interest rate swap	842	3,460
	<u></u>	<u></u>
Financial liabilities measured at amortised cost:		
Senior secured loan	28,192	33,141
Subordinated unsecured loan stock	5,715	6,222
Trade creditors	2,898	3,163
	<u></u>	<u></u>

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Cash and cash equivalents includes £12,324,000 (2022: £11,021,000) being held in the Company's reserve accounts in line with the Company's contractual obligations.

12 Creditors: amounts falling due within one year

	Notes	2023 £000	2022 £000
Bank loans	14	5,316	4,952
Loans from group undertakings	14	580	507
Trade creditors		2,898	3,163
Corporation tax		182	175
Other taxation		237	-
Derivative financial instrument		298	920
Accruals and deferred income		10,563	8,761
		<u>20,074</u>	<u>18,478</u>

The senior secured loan represents amounts borrowed under a Credit Agreement with Bank of Scotland. During the year the company transitioned its senior secured loan so that interest is calculated by reference to SONIA rather than by reference to LIBOR. The terms of the loan remain otherwise unchanged, namely that it bears interest at a margin of 1% over SONIA plus an agreed Credit spread and is repayable in six monthly instalments between 2008 and 2027. The loan is secured by fixed and floating charges over the property, assets and rights of the company, and has certain covenants attached.

13 Creditors: amounts falling due after more than one year

	Notes	2023 £000	2022 £000
Bank loans and overdrafts	14	22,876	28,189
Other borrowings	14	5,135	5,715
Derivative financial instruments		544	2,540
Other creditors		172	172
		<u>28,727</u>	<u>36,616</u>

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due after more than one year

(Continued)

In July 2004 the company entered into a 24 year fixed interest swap arrangement to hedge its exposure to the effect of interest rate fluctuations.

The swap was effected on a maximum notional amount of £86.9 million payable in monthly amounts between July 2004 and March 2008 and in six monthly intervals from March 2008 to September 2027. The fair value of the interest rate swap liability in the current and prior year has been determined by the Bank of Scotland, which has the relevant market data to determine its valuation.

In addition to the utilised loan facility detailed above the company also has the following loan facility arrangements in place and have not been drawn, all of which bear non-utilisation costs at 0.45% per annum. Debt Service Reserve £4,284,000; Change of Law £1,293,000 (2022: Debt Service Reserve £4,284,000; Change of Law £1,293,000).

Other borrowings represent subordinated unsecured loan stock which was subscribed by the shareholders on 28 March 2008 and bears interest at 13.184% per annum payable in six monthly intervals in March and September each year, subject to approval of the lender. The stock is subordinated until all of the secured obligations of the company have been repaid or discharged in full.

14 Loans and overdrafts

An analysis of the maturity of loans is given below:

	2023 £000	2022 £000
Amounts falling due within one year or on demand:		
Senior secured loan	5,316	4,952
Loans from group undertakings	580	507
	<u>5,896</u>	<u>5,459</u>
Amounts falling due between one and two years:		
Senior secured loan	5,577	5,315
Loans from group undertakings	635	535
	<u>6,212</u>	<u>5,850</u>
Amounts falling due between two and five years:		
Senior secured loan	17,299	18,743
Loans from group undertakings	4,500	2,315
	<u>21,799</u>	<u>21,058</u>
Amounts falling due after more than five years:		
Repayable by instalments		
Senior secured loan	-	4,131
Loans from group undertakings	-	2,865
	<u>-</u>	<u>6,996</u>

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Share capital

	2023 Number	2022 Number	2023 £000	2022 £000
Ordinary share capital Issued and fully paid of £1 each	10,000	10,000	10	10

16 Hedging reserve

	2023 £000	2022 £000
At the beginning of the year	(2,595)	(5,493)
Movement through other comprehensive income	1,963	2,898
At the end of the year	(632)	(2,595)

In July 2004 the company entered into a 24 year fixed interest swap arrangement to hedge its exposure to the effect of interest rate fluctuations.

The swap was effected on a maximum notional amount of £86.9 million payable in monthly amounts between July 2004 and March 2008 and in six monthly intervals from March 2008 and September 2027. The fair value of the interest rate swap liability in the current and prior year has been determined by Bank of Scotland, which has used relevant market data to determine the valuation.

17 Profit and loss reserves

Retained earnings represent cumulative profits and losses net of dividends paid.

18 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The company has taken advantage of exemption, under the terms of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions between the company and its sole parent company.

During the year the company was charged £117,752 for Directors' services (2022: £106,945) by entities which exercise control over it. It paid £115,224 (2022: £106,601) and, at the year end, owed £28,529 (2022: £26,000), included within Accruals and deferred income.

FALCON SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Controlling parties

The immediate parent company is Falcon Support Services (Holdings) Limited, which is the largest and smallest company to consolidate these financial statements.

In the directors' opinion, there is no ultimate controlling party and the ultimate parent companies are PPP Equity PIP LP which is interested in 50% of the company, together with Innisfree PFI Secondary Fund, which is interested in 16% of the company and Innisfree PFI Secondary Fund 2 LP (along with its General Partner, Innisfree Secondary Partners 2 LLP) which is interested in 34% of the company.

Both Innisfree Secondary Funds are English Limited Partnerships managed by Innisfree Limited, and PP Equity PIP LP is also an English Limited Partnership managed by Dalmore Capital Limited. Copies of the financial statements of Falcon Support Services (Holdings) Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The registered office of the company is the same as the registered office of this company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.