

Falkirk Group Limited

Annual report and financial statements  
for the year ended 31 March 2012

Registration number 5870082



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## **Falkirk Group Limited**

### **Annual report and financial statements for the year ended 31 March 2012**

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# **Falkirk Group Limited**

## **Directors and advisors**

### **Directors**

A E Birch  
K McLellan

### **Company secretary**

Semperian Secretariat Services Limited

### **Registered office**

St Martins House  
1 Gresham Street  
London  
EC2V 7BX

### **Independent auditors**

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

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## **Falkirk Group Limited**

**Registration number: 5870082**

### **Directors' report for the year ended 31 March 2012**

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

#### **Results, principal activities and review of the business**

The principal activity of the company is that of a holding company for Falkirk Schools Partnership Limited and its subsidiaries Class 98 Limited, a company whose activities include the provision of five secondary schools for pupils in the Falkirk area, and Class 06 Limited, whose principal activity is as a financing company. The schools are Bo'ness Academy, Graeme High School, Braes High School, Larbert High School and Dawson Park School.

The directors consider the performance of the company during the year, the financial position at the end of the year and the prospects for the future to be satisfactory.

#### **Dividends and transfers to reserves**

The profit and loss account for the year is set out on page 5.

During the year a dividend of £716,317 (year ended 31 March 2011: £908,064) was paid.

#### **Principal risks and uncertainties, financial risk management and key performance indicators ('KPIs')**

As described above, Falkirk Group Limited acts as a holding company for its subsidiary, Falkirk Schools Partnership Limited, which in turn has two subsidiaries (Class 98 Limited and Class 06 Limited). As such, the principal risks, financial risk management and key performance indicators adopted by Falkirk Schools Partnership Limited, Class 98 Limited and Class 06 Limited are applicable to the management of its investment in its subsidiary and are detailed in the director's report of the financial statements for Falkirk Schools Partnership Limited, Class 98 Limited and Class 06 Limited for the year ended 31 March 2012.

In addition, the holding company also takes the risk of impairment of its investment in the subsidiary, Falkirk Schools Partnership Limited. This risk is directly related to the performance of the subsidiary.

#### **Directors**

The directors of the company during the year, and up to the date of signing the financial statements, are set out below:

A E Birch	
K McLellan	
R Manley	(resigned 30 December 2011)

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## **Falkirk Group Limited**

### **Directors' report for the year ended 31 March 2012 (continued)**

#### **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 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,
- 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.

#### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the directors' report is approved, so far as the director is aware, there is no relevant audit information of which PricewaterhouseCoopers LLP ('PwC') are unaware, and the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that PwC are aware of that information.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

#### **By order of the board**



*KIM CLEARY*

On behalf of Semperian Secretariat Services Limited  
Company secretary

8<sup>TH</sup> JUNE 2012

## **Independent auditors' report to the members of Falkirk Group Limited**

We have audited the financial statements of Falkirk Group Limited for the year ended 31 March 2012 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 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.

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. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

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

### **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.



**Paul Nott (Senior Statutory Auditor)**  
**For and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Birmingham**

*11 June 2012*

## **Falkirk Group Limited**

### **Profit and loss account for the year ended 31 March 2012**

		<b>Year ended 31 March 2012</b>	<b>Year ended 31 March 2011</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Income from shares in group undertakings		<b>1,596,049</b>	1,785,393
Interest payable and similar charges	2	<b>(879,732)</b>	(877,329)
<b>Profit on ordinary activities before taxation</b>	3	<b>716,317</b>	908,064
Tax on profit on ordinary activities	4	-	-
<b>Profit for the year</b>	10	<b>716,317</b>	908,064

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom

There are no material differences between the profit as shown in the profit and loss account above and its historical cost equivalent

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

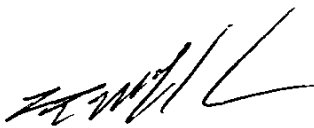
The movement on reserves is shown in note 10 to the financial statements

# Falkirk Group Limited

## Balance sheet as at 31 March 2012

	Note	31 March 2012 £	31 March 2011 £
<b>Fixed assets</b>			
Investment in subsidiary undertaking	6	14,416,073	14,416,073
<b>Current assets</b>			
Debtors amounts falling due within one year	7	2	2
		2	2
<b>Creditors: amounts falling due within one year</b>		-	-
<b>Net current assets</b>		2	2
<b>Total assets less current liabilities</b>		14,416,075	14,416,075
<b>Creditors: amounts falling due after more than one year</b>	8	(7,311,073)	(7,311,073)
<b>Net assets</b>		7,105,002	7,105,002
<b>Capital and reserves</b>			
Called up share capital	9	102	102
Share premium account	10	7,104,900	7,104,900
Profit and loss reserve	10	-	-
<b>Total shareholder's funds</b>	10	7,105,002	7,105,002

The financial statements on pages 5 to 10 were approved by the board on 8<sup>TH</sup> JUNE 2012 and signed on its behalf by

  
KENNETH MCLELLAN  
Director



# Falkirk Group Limited

## Notes to the financial statements for the year ended 31 March 2012

### 1 Principal accounting policies

A summary of the company's principal accounting policies, which have been consistently applied, is set out below

#### Basis of preparation of accounts

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting and financial reporting standards in the United Kingdom

The financial statements contain information about Falkirk Group Limited as an individual company and do not contain consolidated financial information. The company is exempt from the requirement to prepare consolidated financial statements, under section 401 of the Companies Act 2006, as its results are included in the consolidated financial statements of Semperian PPP Investment Partners Holdings Limited

#### Investment income

Investment income includes dividends and interest receivable. Dividends are included in income when received. Interest receivable is included in income on an accruals basis. Interest receivable includes the amortisation of any premium or discount on the purchase of the loan which has been spread over the life of the loan to determine a constant effective interest rate

#### Investments

Investments in subsidiary undertakings are stated at cost less an appropriate provision to reflect any impairment in the value of the investments

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted

#### Cash flow statement

Under Financial Reporting Standard 1 – Cash Flow Statements (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company's ultimate parent undertaking, Semperian PPP Investment Partners Holdings Limited, prepares a consolidated cash flow statement, in which the company's cash flows are included

### 2 Interest payable and similar charges

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Interest payable on group loan	879,732	877,329

## Falkirk Group Limited

### Notes to the financial statements for the year ended 31 March 2012 (continued)

#### 3 Profit on ordinary activities before taxation

The company had no employees, other than the directors, during the year (year ended 31 March 2011 none). The emoluments of the directors are paid by the controlling parties. The directors' services to this company and to a number of fellow group companies are primarily of a non executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (year ended 31 March 2011 £nil) to the company in respect of these services.

The audit fee, of £2,000, has been paid on the company's behalf by a fellow group company, Class 98 Limited, for which no recharge has been made (year ended 31 March 2011 £2,000).

#### 4 Tax on profit on ordinary activities

##### Analysis of tax for the year

	Year ended 31 March 2012	Year ended 31 March 2011
	£	£
Current tax:	-	-
Tax on profit on ordinary activities	-	-

##### Factors affecting current tax charge

The tax assessed for the year is lower (year ended 31 March 2011 lower) than the standard rate of corporation tax in the UK of 26% (2011 28%). The differences are explained below.

Profit on ordinary activities before taxation	716,317	908,064
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (year ended 31 March 2011 28%)	186,242	254,258
Non-taxable income	(414,973)	(499,910)
Group relief	228,731	245,652
Current tax for the year	-	-

A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. This reduction replaces the decrease to 25% previously enacted in Finance Act 2011. Proposed further reductions to 23% and 22% are expected to be included in Finance Bill 2012 and Finance Bill 2013, respectively. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

#### 5 Dividends

	Year ended 31 March 2012	Year ended 31 March 2011
	£	£
Equity:		
Dividend paid - £7,022.71 (year ended 31 March 2011 £8,902.59) per share	716,317	908,064

## Falkirk Group Limited

### Notes to the financial statements for the year ended 31 March 2012 (continued)

#### 6 Investment in subsidiary undertaking

Cost	Equity £
At 1 April 2011 and 31 March 2012	14,416,073

The investment is in Falkirk Schools Partnership Limited, a company incorporated in Scotland and in which 100% of the ordinary share capital is held. The acquisition was funded by the issue of 100 shares of £1 each for a deemed consideration of £7,105,000, giving rise to a premium of £7,104,900, and £7,311,073 of cash provided by way of a loan from Class 06 Limited.

#### 7 Debtors: amounts falling due within one year

	31 March 2012 £	31 March 2011 £
Unpaid share capital	2	2

#### 8 Creditors: amounts falling due after more than one year

a) Total	31 March 2012 £	31 March 2011 £
Intercompany loans	7,311,073	7,311,073
b) Debt	31 March 2012 £	31 March 2011 £
Maturity of debt		
In more than five years	7,311,073	7,311,073

The loan is from Class 06 Limited. The loan is not secured, has no fixed repayment terms and is at an interest rate of 12% per annum.

## Falkirk Group Limited

### Notes to the financial statements for the year ended 31 March 2012 (continued)

#### 9 Called up share capital

	31 March 2012	31 March 2011
	£	£
<b>Allotted and partly paid</b>		
102 Ordinary shares of £1 each	102	102

#### 10 Reconciliation of movements in total shareholder's funds and on reserves

	Share capital	Share premium account	Profit and loss reserve	Total shareholder's funds
	£	£	£	£
At 1 April 2010	102	7,104,900	-	7,105,002
Profit for the year	-	-	908,064	908,064
Dividends paid (note 5)	-	-	(908,064)	(908,064)
At 1 April 2011	102	7,104,900	-	7,105,002
Profit for the year	-	-	716,317	716,317
Dividends paid (note 5)	-	-	(716,317)	(716,317)
<b>At 31 March 2012</b>	<b>102</b>	<b>7,104,900</b>	<b>-</b>	<b>7,105,002</b>

#### 11 Related party disclosures

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under Financial Reporting Standard No 8 – 'Related Party Disclosures' of the requirement to disclose transactions between it and other group companies

#### 12 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Semperian PPP Investment Partners No 2 Limited, which is registered in England and Wales

The ultimate parent undertaking and controlling party is Semperian PPP Investment Partners Holdings Limited which is registered in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at St Martins' House, 1 Gresham Street, London, EC2V 7BX