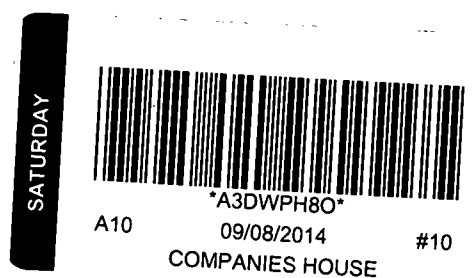


Falkirk Group Limited
Annual report and financial statements
for the year ended 31 March 2014

Registration number: 5870082



Falkirk Group Limited

Annual report and financial statements for the year ended 31 March 2014

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Falkirk Group Limited

Directors and advisors

Directors K McLellan
 A C Ritchie
 A R Kershaw

Company secretary Semperian Secretariat Services Limited

Registered office Third Floor
 Broad Quay House
 Prince Street
 Bristol
 BS1 4DJ

Independent auditors PricewaterhouseCoopers LLP
 Chartered Accountants and Statutory Auditors
 31 Great George Street
 Bristol
 BS1 5QD

Falkirk Group Limited

Strategic report for the year ended 31 March 2014

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

Results, principal activities and review of 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.

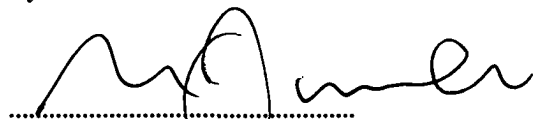
The profit for the year is set out in the profit and loss account on page 7. The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

Principal risks and uncertainties 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 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 strategic report of the financial statements for Falkirk Schools Partnership Limited, Class 98 Limited and Class 06 Limited for the year ended 31 March 2014.

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.

By order of the Board



.....
On behalf of Semperian Secretariat Services Limited
Company secretary

18 July 2014

Falkirk Group Limited

Registration number: 5870082

Directors' report for the year ended 31 March 2014

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

Future developments

No significant changes are expected to the company's activities, as set out in the Strategic Report, in the foreseeable future.

Dividends and transfers to reserves

A dividend of £1,553,400 (£15,229.41 per ordinary share) was paid during the year, (2013: £1,005,390, £9,856.76 per ordinary share).

On 30 June 2014 a further dividend of £873,941 (£8,568.05 per ordinary share) was declared and paid.

Financial risk management

As described in the strategic report 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 financial risk management adopted by Falkirk Schools Partnership Limited, Class 98 Limited and Class 06 Limited is applicable to the management of its investment in its subsidiary and is 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 2014.

Directors of the company

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 (resigned 3 February 2014)

K McLellan

A C Ritchie (appointed 3 February 2014)

The following director was appointed after the year end:

A R Kershaw (appointed 20 June 2014)

Falkirk Group Limited

Directors' report for the year ended 31 March 2014 (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and 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 prepared 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 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.

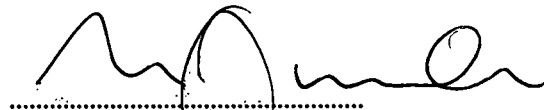
Statement of disclosure of information to auditors

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



On behalf of Semperian Secretariat Services Limited
Company secretary

18 July 2014

Falkirk Group Limited

Independent auditors' report to the members of Falkirk Group Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Falkirk Group Limited comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of principal accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Falkirk Group Limited

Independent auditors' report to the members of Falkirk Group Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 ISAs (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.



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

28 July 2014

Falkirk Group Limited

Profit and loss account for the year ended 31 March 2014

	Note	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Income from group undertakings		2,430,729	1,882,719
Interest payable and similar charges	3	(877,329)	(877,329)
Profit on ordinary activities before taxation		1,553,400	1,005,390
Tax on profit on ordinary activities	4	-	-
Profit for the financial year	10	1,553,400	1,005,390

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 for the period on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

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 movements on reserves are shown in note 10 to the financial statements.

Falkirk Group Limited

Balance sheet as at 31 March 2014

	Note	31 March 2014 £	31 March 2013 £
Fixed assets			
Investments	6	14,416,073	14,416,073
Current assets			
Debtors: amounts falling due within one year	7	2	2
Creditors: Amounts falling due within one year		-	-
Net current assets		2	2
Total assets less current liabilities		14,416,075	14,416,075
Creditors: Amounts falling due after more than one year	8	(7,311,073)	(7,311,073)
Net assets		7,105,002	7,105,002
Capital and reserves			
Called up share capital	9	102	102
Share premium reserve	10	7,104,900	7,104,900
Profit and loss reserve	10	-	-
Total shareholder's funds	10	7,105,002	7,105,002

The financial statements on pages 7 to 14 were approved by the Board on 18 July 2014 and signed on its behalf by:



.....
A R Kershaw
Director

Falkirk Group Limited

Notes to the financial statements for the year ended 31 March 2014

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 financial statements

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 (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.

Falkirk Group Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

2 Operating profit

The company had no employees, other than the directors, during the year (2013: 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 (2013: £nil) to the company in respect of these services.

The audit fee, of £1,000, 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 2013: £2,000).

3 Interest payable and similar charges

Interest payable includes £877,329 (2013 - £877,329) payable on loans from group companies.

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Interest payable on group loan	877,329	877,329

Falkirk Group Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

4 Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Current tax:		
Total current tax	-	-
Tax (credit)/charge on profit on ordinary activities	-	-

(b) Factors affecting current tax charge

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Profit on ordinary activities before taxation	1,553,400	1,005,390
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013: 24%)	357,282	241,294
Effects of:		
Non-taxable income	(559,068)	(451,853)
Group relief	201,786	210,559
Current tax charge for the year (note 4(a))	-	-

(c) Factors that may affect future tax charges

Finance Act 2013 included legislation to reduce the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015.

Falkirk Group Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

5 Dividends

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Dividends paid - £15,229.41 per share (2013: £9,856.76 per share)	1,553,400	1,005,390

6 Investment in subsidiary undertaking

Cost	Equity £
At beginning and end of the year	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 2014 £	31 March 2013 £
Other debtors	2	2

8 Creditors: amounts falling due after more than one year

(a) Debt

	31 March 2014 £	31 March 2013 £
Subordinated debt	7,311,073	7,311,073

Falkirk Group Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

8 Creditors: amounts falling due after more than one year (continued)

(b) Maturity of debt

	31 March 2014 £	31 March 2013 £
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.

9 Called up share capital

	31 March 2014 £	31 March 2013 £
Allotted and partly paid		
102 Ordinary shares of £1 each	102	102

10 Reconciliation of movements in total shareholders' funds and reserves

	Share capital £	Share premium account £	Profit and loss account £	Total Shareholders' funds £
At 1 April 2012	102	7,104,900	-	7,105,002
Profit for the financial year	-	-	1,005,390	1,005,390
Dividends paid (note 5)	-	-	(1,005,390)	(1,005,390)
At 1 April 2013	102	7,104,900	-	7,105,002
Profit for the financial year	-	-	1,553,400	1,553,400
Dividends paid (note 5)	-	-	(1,553,400)	(1,553,400)
At 31 March 2014	102	7,104,900	-	7,105,002

Falkirk Group Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

11 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Semperian PPP Investment Partners No.2 Limited, 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 Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

12 Related party transactions

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8 - 'Related Party Disclosures' of the requirement to disclose transactions between it and other group companies.