

# **Kaplan Law School Limited**

## **Annual report and financial statements**

for the year ended 31 December 2018

Registered number: 05891945

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## **Strategic report for the year ended 31 December 2018**

The director presents the Strategic report on the company for the year ended 31 December 2018.

### **Business review**

In September 2015, the company announced that it would discontinue offering its programmes from May 2016 and as a result the financial statements continue to be prepared on a basis other than going concern.

### **Principal risks and uncertainties**

As the company has ceased trading, the director does not consider this company to be exposed to any significant business risks.

The process of risk management has historically been addressed through a framework of policies, procedures and internal control. All policies are subject to approval by the director.

### **Key performance indicators ("KPIs")**

The company no longer trades as it ceased trading in 2016, KPI's are therefore no longer considered relevant by the director for an understanding of the performance and position of the company.

The Strategic report was approved on 15 July 2019 and signed by:

**Peter Houllon**  
**Director**

A handwritten signature in black ink, appearing to be 'Peter Houllon', written over a circular stamp or seal.

## **Director's report for the year ended 31 December 2018**

The director presents the annual report and the audited financial statements of Kaplan Law School Limited ("the company") for the financial year ended 31 December 2018.

### **Principal activities**

Until May 2016, the company operated a law school in co-operation with Nottingham Law School offering leading Legal Practice courses, Graduate Diploma in Law courses and Bar Professional Training courses.

### **Future developments**

In September 2015, the company announced that it would discontinue offering its programmes from May 2016 and following cessation of all activities, the company would be liquidated. As such, the financial statements continue to be prepared on a basis other than going concern. The director intends to commence liquidation within 12 months from approval of these financial statements.

### **Results and dividends**

Turnover for the year amounted to £nil (2017: £nil). The profit for the financial year of £5,000 (2017: £240,000) was taken to reserves. No dividends have been paid or proposed in the year (2017: £nil).

### **Director**

The director of the company, who was in office during the year and up to the date of signing the financial statements, was as follows:

P  ter Houillon

### **Director's indemnities**

The company maintained third party indemnity insurance for the director throughout the year and up to the date of signing the financial statements.

### **Going concern**

The company ceased trading in May 2016, and as noted above, the director has every intention to liquidate the company during the next 12 months from the date of approval of these financial statements. As such, the financial statements have been prepared on a basis other than the going concern basis.

## **Director's report for the year ended 31 December 2018 (continued)**

### **Statement of Director's responsibilities in respect of the financial statements**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006.

The director is 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.

In the case of the 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 the company's auditors are unaware; and
- they have 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 the company's auditors are aware of that information.

### **Independent Auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the Registrar, whichever is earlier.

Signed by the director

Peter Houillon  
Director



Kaplan Law School Limited  
Registered number: 05891945  
179 – 191 Borough High Street  
London  
SE1 1HR

15 July 2019

# ***Independent auditors' report to the members of Kaplan Law School Limited***

## ***Report on the audit of the financial statements***

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### **Opinion**

In our opinion, Kaplan Law School Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3 to the financial statements which describes the director's reasons why the financial statements have been prepared on a basis other than going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Strategic Report and Director's report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the director for the financial statements*

As explained more fully in the Statement of director's responsibilities in respect of the financial statements set out on page 4, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as they 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 director is 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 director either intends 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

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.

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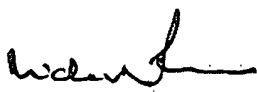
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of director's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Michael Jones (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
16 July 2019

**Statement of comprehensive income**  
for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover		-	-
Cost of sales		-	-
<b>Gross result</b>		<u>-</u>	<u>-</u>
Administrative expenses before exceptional items		4	(194)
Exceptional items	5	<u>-</u>	<u>373</u>
<b>Total administrative expenses</b>		<u>4</u>	<u>179</u>
<b>Profit before taxation</b>	6	4	179
Tax on profit	9	<u>1</u>	<u>61</u>
<b>Profit for the financial year</b>		<u>5</u>	<u>240</u>

The results for the current and prior years are derived from discontinued activities.

**Statement of financial position**  
as at 31 December 2018

	Note	2018		2017	
		£'000	£'000	£'000	£'000
<b>Current assets</b>					
Debtors	11	703		50	
Cash at bank and in hand		-		655	
		<u>703</u>		<u>705</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(4)</u>		<u>(11)</u>	
<b>Net current assets</b>			699		694
<b>Total assets less current liabilities</b>			<u>699</u>		<u>694</u>
<b>Net assets</b>			<u>699</u>		<u>694</u>
<b>Capital and reserves</b>					
Called up share capital	14	-		-	
Profit and loss account	15	699		694	
<b>Total equity</b>			<u>699</u>		<u>694</u>

The financial statements on pages 7 to 16 were approved by the director on 15 July 2019 and were signed by:



Peter Houillon  
Director

The notes on pages 11 to 16 form part of these financial statements.

**Statement of changes in equity**  
**for the year ended 31 December 2018**

	<b>Called up share capital</b> <b>£'000</b>	<b>Profit and loss account</b> <b>£'000</b>	<b>Total equity</b> <b>£'000</b>
At 1 January 2018	-	694	694
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	5	5
<b>Total comprehensive income for the year</b>	-	5	5
<b>At 31 December 2018</b>	-	699	699

The notes on pages 11 to 16 form part of these financial statements.

**Statement of changes in equity**  
*for the year ended 31 December 2017*

	<b>Called up share capital</b> <b>£'000</b>	<b>Profit and loss account</b> <b>£'000</b>	<b>Total equity</b> <b>£'000</b>
At 1 January 2017	-	454	454
<b>Comprehensive</b>			
<b>Income for the year</b>			
Profit for the financial year	-	240	240
<b>Total comprehensive</b>			
<b>Income for the year</b>	-	240	240
<b>At 31 December 2017</b>	<b>-</b>	<b>694</b>	<b>694</b>

The notes on pages 11 to 16 form part of these financial statements.

## Notes to the financial statements for the year ended 31 December 2018

### 1 General information

Kaplan Law School Limited ("the Company") is a private Company limited by shares, incorporated in England and Wales. Its registered office is 179 - 191 Borough High Street, London, SE1 1HR.

### 2 Statement of compliance

The individual financial statements of Kaplan Law School Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 3 Accounting policies

#### Basis of preparation and accounting policies for the years ended 31 December 2018 and 31 December 2017

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Company ceased trading in prior years and the director intends to liquidate the company during the next 12 months from the date of approval of these financial statements. Accordingly, the going concern basis of accounting continues to remain inappropriate. No adjustments were needed in the prior or current financial year to write down assets to their recoverable value, to reclassify fixed/non-current assets and long-term/non-current liabilities as current assets and current liabilities and to provide for liabilities arising as a result of the decision to liquidate the entity. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The cost of winding up will be provided by Kaplan International Holdings Limited, the parent of the company.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The individual financial statements of Kaplan Law School Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes on the basis it is a qualifying entity and its ultimate parent company, Graham Holdings Company, includes the company's cash flows in its own consolidated financial statements
- non-disclosure of the reconciliation of the number of shares outstanding at the beginning and at the end of the period
- the requirement to present disclosures relating to financial instruments, and
- the requirement to disclose key management personnel compensation in total.

The following principal accounting policies have been consistently applied:

#### Exceptional items

Exceptional items are non-recurring material items which are outside the normal scope of the company's ordinary activities. Such items are disclosed separately within the financial statements.

#### Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

## Notes to the financial statements for the year ended 31 December 2018

### 3 Accounting policies (continued)

#### Current and deferred taxation (continued)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### Debtors

Debtors are measured at estimated recoverable amount.

#### Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 4 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No significant estimates or judgments have had to be made by management in preparing these financial statements.

### 5 Exceptional items

	2018 £'000	2017 £'000
Exceptional items – write off of intercompany balances	-	(373)

The Intercompany balance in 2017 of £373,000, held with the parent company Kaplan International Holdings Limited, was legally waived resulting in a credit to the statement of comprehensive income.

## Notes to the financial statements for the year ended 31 December 2018

**6 Profit before taxation**

	2018 £'000	2017 £'000
Profit before tax is stated after charging:		
Auditors' remuneration:		
Audit fees	-	6
Operating lease charges:		
Plant and machinery	-	1
Other	-	342
	<u>-</u>	<u>342</u>

The audit fee of £6,000 in respect of the year ended 31 December 2018 has been borne by Kaplan Financial Limited and a fellow subsidiary undertaking of Kaplan International Holdings Limited.

**7 Director's remuneration**

No remuneration was paid by the company to the director during the year (2017: £Nil).

P. Houillon is a director of Kaplan Financial Limited, a group company and is remunerated by that company. Kaplan Financial Limited makes no recharge to the company. It is not possible to make an accurate apportionment of his emoluments in respect of each of the companies of which he is a director.

The company does not operate a defined benefit pension scheme and does not make any contributions for the director to defined contribution schemes. The director did not have any interests in any options for shares in the company.

**8 Employees**

There were no employees during the year (2017: none).

**9 Tax on profit**

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profit for the year	(1)	(38)
Adjustment in respect of prior years	-	(23)
Total current tax	<u>(1)</u>	<u>(61)</u>
Deferred tax:		
Current year – origination and reversal of timing differences	-	-
Adjustments in respect of prior years	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax credit on profit	<u>(1)</u>	<u>(61)</u>

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 19% (2017: 19.25%).

The current year tax credit is the same as (2017: differs from) the standard rate of corporation tax in the UK of 19% (2017: 19.25%) of profit before tax for the reasons set out in the following reconciliation:

## Notes to the financial statements for the year ended 31 December 2018

	2018 £'000	2017 £'000
<b>Profit before taxation</b>	<b>4</b>	<b>197</b>
Profit multiplied by the standard rate in the UK of 19% (2017: 19.25%)	1	38
Effects of:		
Other timing differences	-	(3)
Non taxable income	(2)	(73)
Adjustments in respect of prior years	-	(23)
<b>Total tax credit for the year</b>	<b>(1)</b>	<b>(61)</b>

**Factors affecting current and future tax charges:**

United Kingdom legislation reduced the main rate of corporation tax from 20% to 19% with effect from 1 April 2017. This enactment provides effective tax rates for 2018 and 2017 financial years of 19% and 19.25% respectively.

The Finance Act was substantively enacted on 15 September 2016. This Act included provisions reducing the main rate of UK corporation tax to 17% from 1 April 2020. Accordingly, the relevant deferred tax balances have been re-measured using the future UK corporation tax rate of 17%.

Given that it is the intention of the director to close down the Company, these change will have no impact on the Company's tax position.

**10 Tangible assets**

	Short leasehold land and buildings £'000	Fixtures, fittings and office equipment £'000	Computer equipment and software £'000	Total £'000
<b>Cost</b>				
At 1 January 2018	1,715	346	315	2,376
Assets written off	(1,715)	(346)	(315)	(2,376)
<b>Accumulated depreciation</b>				
At 1 January 2018	1,715	346	315	2,376
Assets written off	(1,715)	(346)	(315)	(2,376)
<b>At 31 December 2018</b>	-	-	-	-
<b>Net book value</b>				
<b>At 31 December 2018</b>	-	-	-	-
<b>At 31 December 2017</b>	-	-	-	-

During the year the director reviewed the company's fixed assets and adjusted the balances recorded as detailed in the table above.

## Notes to the financial statements for the year ended 31 December 2018

**11 Debtors**

	2018 £'000	2017 £'000
Amounts due from group companies	692	-
Corporation tax receivable	11	48
Other debtors	-	2
	<u>703</u>	<u>50</u>

Amounts due from fellow group companies are interest free, unsecured and repayable on demand.

**12 Creditors: amounts falling due within one year**

	2018 £'000	2017 £'000
Accruals	<u>4</u>	<u>11</u>
	<u>4</u>	<u>11</u>

**13 Financial instruments**

	2018 £'000	2017 £'000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>692</u>	<u>657</u>
	<u>692</u>	<u>657</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	<u>(4)</u>	<u>(11)</u>
	<u>(4)</u>	<u>(11)</u>

**14 Called up share capital**

	2018 £'000	2017 £'000
<b>Allotted and fully paid</b>		
One ordinary share of £1 (2017: one)	<u>-</u>	<u>-</u>

**15 Reserves****Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

**Notes to the financial statements for the year ended 31 December 2018**

**16 Related party disclosures**

The company has taken advantage of the exemption stated in Financial Reporting Standard 102 Section 33 Related Party Disclosures that allows the non-disclosure of transactions or balances with entities that are part of the group or investments of the group qualifying as related parties where the entities are wholly owned by the company. The company is included in the financial statements of The Graham Holdings Company, which are publicly available.

There are no other related party transactions requiring disclosure.

**17 Ultimate parent company and controlling party**

Throughout the year the Company was a wholly owned subsidiary undertaking of the immediate parent company Kaplan International Holdings Limited. The only group in which the results of the Company are consolidated is that headed by the ultimate parent company and controlling party, The Graham Holdings Company, which is incorporated in the US. Copies of its consolidated financial statements can be obtained from the company's director at 179 - 191 Borough High Street, London, SE1 1HR.