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# **Legal Network Television Limited**

Directors' report and financial statements

For the period 2 February 2012 to 31 July 2013

Registered number 07933849

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## **Directors' report**

The Directors present their annual report and the audited financial statements for the period 2 February 2012 to 31 July 2013

### **Principal activities**

The company was incorporated on 2 February 2012 as COL SubCo No 2 Limited with company number 07933849

On 1 October 2012 the company acquired all the activities, assets and liabilities of Legal Education No 2 Limited (formerly Legal Network Television Limited company number 02726430)

COL SubCo No 2 Limited changed its name to Legal Network Television Limited on 28 September 2012

The principal activity of the company during the period was the supply of legal training materials accessed on-line or through DVDs

### **Business review, results and dividends**

Legal Network Television Limited is a wholly owned subsidiary of COL NewCo Limited incorporated in the United Kingdom. On 30 November 2012 L-J Bidco Limited, incorporated in the United Kingdom acquired 100% of the share capital of COL NewCo Limited. L-J Bidco Limited is a member of a group of holding companies owned by funds managed by Montagu Private Equity LLP

The results for the period from 2 February 2012 to 31 July 2013 are set out on page 6

The company recorded a loss of £368k. No dividend is proposed, leaving £368k to be transferred to reserves

The company works closely with its fellow subsidiary undertakings The University of Law Limited and College of Law Services Limited. The business review of Legal Network Television Limited is included within the Directors' report of The University of Law Limited

### **Directors**

The Directors who held office during the period were as follows

Alnery Incorporations No 1 Limited (appointed 2 February 2012, resigned 15 February 2012)  
Alnery Incorporations No 2 Limited (appointed 2 February 2012, resigned 15 February 2012)  
C A J Morris (appointed 2 February 2012, resigned 15 February 2012)  
G G Beringer (appointed 15 February 2012, resigned 30 November 2012)  
R G Finch (appointed 15 February 2012, resigned 30 November 2012)  
R N Savage (appointed 30 November 2012)  
S L Hutchinson (appointed 30 November 2012)  
T G Boucher (appointed 30 November 2012)  
D I Johnston (appointed 30 November 2012)

### **Political and charitable contributions**

The company made no political or charitable contributions during the period

### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

## **Directors' report** *(continued)*

### **Auditor**

During the period KPMG LLP were appointed as auditors of the company

In accordance with Section 384 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting

### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 2006

By order of the board

  
**R N Savage**  
*Director*

Braboeuf Manor  
Portsmouth Road  
St Catherines  
Guildford  
Surrey  
GU3 1HA  
United Kingdom  
25<sup>th</sup> October 2013

## **Statement of Directors' responsibilities**

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 period which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis

The Directors are responsible for keeping proper accounting records which 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

## **Independent auditor's report to the members of Legal Network Television Limited**

We have audited the financial statements of Legal Network Television Limited for the period ended 31 July 2013 set out on pages 6 to 14

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities)

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 auditor's 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.

### **Respective responsibilities of Directors and auditor**

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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 1 to the financial statements.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 July 2013 and of its loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

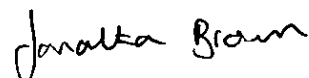
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period 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, or
- the Directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime.



Jonathan Brown (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Chartered Accountants  
100 Temple Street  
Bristol, BS1 6AG  
25 October 2013

## **Profit and loss account**

	<i>Note</i>	<b>18 months to 31 July 2013 £'000</b>
<b>Turnover</b>	2	1,178
Cost of sales		(215)
Gross profit		963
Administration expenses		(1,332)
<b>Operating loss</b>		(369)
Interest receivable and similar income	6	1
<b>Loss on ordinary activities before taxation</b>	3	(368)
Taxation on loss on ordinary activities	7	-
<b>Loss for the financial period</b>		<b>(368)</b>

The notes on pages 9 to 14 form part of these financial statements

## Balance sheet

*At 31 July 2013*

	<i>Note</i>	<b>£'000</b>	<b>31 July 2013 £'000</b>
<b>Fixed assets</b>			
Intangible assets	8	1,871	
Tangible assets	10	1	
		<hr/>	1,872
<b>Current assets</b>			
Debtors	11	233	
Cash at bank and in hand		822	
		<hr/>	
		1,055	
<b>Creditors, amounts falling due within one year</b>	12	(3,295)	
		<hr/>	
<b>Net current liabilities</b>			(2,240)
<b>Total assets less current liabilities</b>			<hr/> <b>(368)</b> <hr/>
<b>Capital and reserves</b>			
Called up share capital	13		-
Profit and loss account	14		(368)
			<hr/>
<b>Equity shareholders' funds</b>			<hr/> <b>(368)</b> <hr/>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 2006

These financial statements were approved by the board of Directors on 25<sup>th</sup> October 2013 and were signed on its behalf by

  
**R N Savage**  
*Director*

The notes on pages 9 to 14 form part of these financial statements

Company registered number 07933849



## **Statement of total recognised gains and losses**

	<b>18 months to 31 July 2013 £'000</b>
Loss for the financial period	(368)
<b>Total recognised losses relating to the financial period</b>	<b>(368)</b>

## **Reconciliation of movements in shareholders' funds**

	<b>18 months to 31 July 2013 £'000</b>
Loss for the financial period	(368)
<b>Closing shareholders' funds</b>	<b>(368)</b>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of L-J Holdco Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

The consolidated financial statements of L-J Holdco Limited, within which this company is included, can be obtained at Brabeouf Manor, St Catherines, Guildford, Surrey, GU3 1HA

#### ***Going concern***

The accounts are prepared on a going concern basis, notwithstanding net current liabilities of £2,240k which the Directors believe to be appropriate for the following reasons. The company is reliant on the support of other group companies as a result of the way that the group is financed. L-J Bidco Limited has agreed to continue to provide financial and other support to the company including not seeking repayment of amounts currently made available for the foreseeable future to enable it to continue to trade. As a result, and on the basis of their assessment of the company's financial position, the Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements

#### ***Goodwill***

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired, arising on business combinations in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, a period which is assumed by the Directors to be five years

#### ***Tangible fixed assets and depreciation***

All tangible assets costing over £500 are capitalised. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Production equipment - 20 – 50% on cost per annum

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Pensions***

The company participates in a defined contribution pension scheme provided by The University of Law Limited. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### ***Taxation***

The charge for taxation is based on the profit/loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Turnover***

Turnover shown in the profit and loss account represents amounts receivable in respect of quarterly and annual subscriptions invoiced, and is recognised on a straight line basis over the contract length.

#### ***Dividends on shares presented within shareholders' funds***

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

### **2 Analysis of turnover**

All turnover is generated within the United Kingdom and relates to the principal activity and continuing operations.

### **3 Loss on ordinary activities before taxation**

	<b>18 months to 31 July 2013</b>
	<b>£'000</b>
<i>Loss on ordinary activities before taxation is stated after charging</i>	
Depreciation	2
Auditors' remuneration	
Audit of these financial statements	5
Amortisation of goodwill	375

Amounts receivable by the company's auditor and its associates in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's ultimate parent company, L-J Holdco Limited. The engagement letter signed on 22 April 2013 states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) in respect of services provided in connection with or arising out of the audit shall in no circumstances exceed £1,000,000, in the aggregate in respect of all such services.

### **4 Remuneration of Directors**

All Directors of the company are remunerated by The University of Law Limited and therefore no charge in respect of Directors was recognised within these accounts.

## **Notes (continued)**

### **5 Staff numbers and costs**

All staff were employed by the company from 1 October 2012, the date trading commenced. The average number of full time equivalent persons employed by the company during that period, analysed by category, was as follows:

	<b>Number of employees</b>
Sales	4
Production	16
	<hr/> 20 <hr/>

The aggregate payroll costs of these persons were as follows:

	<b>£'000</b>
Wages and salaries	630
Social security costs	67
Other pension costs	11
	<hr/> 708 <hr/>

During the period to 31 July 2013, a further £342k was charged for staff costs by The University of Law Limited.

### **6 Interest receivable and similar income**

	<b>18 months to 31 July 2013 £'000</b>
Bank interest	<hr/> 1 <hr/>

### **7 Taxation**

#### ***Analysis of charge in period***

	<b>18 months to 31 July 2013 £'000</b>
<i>UK corporation tax</i>	
Current tax on income for the period	<hr/> - <hr/>
Tax on loss on ordinary activities	<hr/> - <hr/>

## Notes (continued)

### 7 Taxation (continued)

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is lower than the standard rate of corporation tax in the UK (23.6%). The differences are explained below

	18 months to 31 July 2013 £'000
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(368)
	<hr/>
Current tax at 23.6%	(87)
<i>Effects of</i>	
Expenses not deductible for tax purposes	79
Capital allowances for period in excess of depreciation	1
Group relief surrendered	7
	<hr/>
Total current tax charge (see above)	-
	<hr/> <hr/>

#### *Factors that may affect future current and total tax charges*

In his budget of 20 March 2013, the Chancellor of the Exchequer announced a number of changes to the UK Corporation Tax rate. These included a reduction in the UK corporation tax rate from 23% to 21% effective from 1 April 2014 and from 21% to 20% effective from 1 April 2015. The rate reductions were substantively enacted on the 2 July 2013.

Furthermore, in Budget 2013, the Chancellor announced an increase in the Annual Investment Allowance from £25,000 to £250,000, which came into effect on 1 January 2013.

### 8 Intangible fixed assets

	Goodwill £'000
<i>Cost</i>	
At 2 February 2012	-
Acquisition 1 October 2012	2,246
	<hr/>
<b>At 31 July 2013</b>	<b>2,246</b>
	<hr/> <hr/>
<i>Amortisation</i>	
At 2 February 2012	-
Charged in period	375
	<hr/>
<b>At 31 July 2013</b>	<b>375</b>
	<hr/> <hr/>
<i>Net book value</i>	
<b>At 31 July 2013</b>	<b>1,871</b>
	<hr/> <hr/>

## Notes (continued)

### 8 Intangible fixed assets (continued)

The Directors consider acquisitions separately for the purpose of determining the amortisation period of any goodwill that arises. The goodwill is being amortised over a period of 5 years, being the Directors' best estimate of its useful economic life.

### 9 Acquisition note

On 1 October 2012 all the legal education and training activities of the Legal Education Foundation (formerly The College of Law with the charity number 271297) were acquired by The University of Law Limited, Legal Network Television Limited and College of Law Services Limited. Total net assets of £56.2 million were acquired for a consideration of £177 million. Goodwill in the company arose of £2.2 million.

### 10 Tangible fixed assets

	Production equipment £'000	Total £'000
<i>Cost</i>		
At 2 February 2012	-	-
By acquisition 1 October 2012	3	3
	<hr/>	<hr/>
<b>At 31 July 2013</b>	<b>3</b>	<b>3</b>
	<hr/>	<hr/>
<i>Depreciation</i>		
At 2 February 2012	-	-
Charge for period	2	2
	<hr/>	<hr/>
<b>At 31 July 2013</b>	<b>2</b>	<b>2</b>
	<hr/>	<hr/>
<i>Net book value</i>		
<b>At 31 July 2013</b>	<b>1</b>	<b>1</b>
	<hr/>	<hr/>

### 11 Debtors

	31 July 2013 £'000
Trade debtors	176
Amounts due from group undertakings	53
Other debtors	4
	<hr/>
	<b>233</b>
	<hr/>

Debtors include no prepayments or accrued income due after more than one year.

## Notes (continued)

### 12 Creditors, amounts falling due within one year

	31 July 2013 £'000
Subscription fees received in advance	272
Trade creditors	24
Amounts due to group undertakings	2,957
Taxation and social security	22
Accruals	20
	<hr/> 3,295 <hr/>

### 13 Called up share capital

	31 July 2013 £
<i>Allotted, called up and fully paid</i>	
Equity	
1 Ordinary share of £1	1
	<hr/> 1 <hr/>

£1 was received in consideration for the share

### 14 Share premium and reserves

	Profit and loss account £'000
At 2 February 2012	-
Retained loss for the 18 months	(368)
	<hr/>
At 31 July 2013	(368) <hr/>

### 15 Related party disclosures

The company has taken advantage of the exemption allowed in FRS 8 and has not disclosed details of related party transactions with 100% owned entities within the group

### 16 Ultimate parent company

On 30 November 2012 the immediate parent undertaking's entire share capital was sold to L-J Bidco Limited, a company incorporated in the United Kingdom. As a result, the company's ultimate parent undertaking changed to L-J Holdco Limited, a company incorporated in Guernsey

The immediate parent undertaking is COL NewCo Limited, a company incorporated in the United Kingdom

The group in which the results of the company were consolidated is that headed by L-J Holdco Limited. A total of 90% of the ordinary share capital of L-J Holdco Limited is held by funds managed by Montagu Private Equity LLP. The consolidated accounts of the group can be obtained from Braboeuf Manor, St Catherines, Guildford, Surrey, GU3 1HA