

Legal Network Television Limited

Directors' report and financial statements

For the period ended 30 November 2017

Registered number 07933849



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Directors' report

The Directors present their annual report and the audited financial statements for the 16 month period ended 30 November 2017. The directors prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

Principal activities

The company ceased trading in April 2016. The effect of this is explained in note 1. The company changed its accounting period from 31 July to 30 November during the financial period and implemented Adopted IFRS to align its financial reporting with the parent company. Comparatives are for the year ended 31 July 2016.

Business review, results and dividends

Legal Network Television Limited is a wholly owned subsidiary of COL NewCo Limited incorporated in the United Kingdom. COL NewCo Limited is a member of the L-J Holdco group.

The ultimate parent company of the L-J Holdco group is Global University Systems Holding B.V., a company incorporated in the Netherlands.

The results for the 16 month period ended 30 November 2017 are set out on page 7.

The company recorded a profit of £18k (2016: £64k loss). No dividend is proposed, leaving the £18k profit (2016: £64k loss) to be transferred to reserves.

Directors

The current Director of Legal Network Television Limited is:

Professor A Nollent

Additional directors who have held office during the period are:

S Platis (resigned 31 October 2016)

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.

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed to the Company's shareholder.

Directors' report *(continued)*

Small company provisions

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 Chapter 5 of the Companies Act 2006.

By order of the board

A handwritten signature in black ink, appearing to read 'Andrea Nollent', with a stylized flourish at the end.

Professor Andrea Nollent
Vice-Chancellor and CEO

Braboeuf Manor
Portsmouth Road
St Catherines
Guildford
Surrey
GU3 1HA
United Kingdom
20 March 2018

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. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the Directors do not believe that is appropriate to prepare these financial statements on a going concern basis.

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 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, and 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

Opinion

We have audited the financial statements of Legal Network Television Limited ("the company") for the period ended 30 November 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes In Equity, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

We have audited the financial statements of Legal Television Network Limited for the period ended 30 November 2017 which the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes In Equity, Statement of Cash Flows and related notes. These financial statements have not been prepared on the going concern basis for the reason set out in note 1.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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

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

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Jonathan Brown (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
20 March 2018

Statement of comprehensive income for the 16 month period ended 30 November 2017

Discontinued operations

	<i>Note</i>	16 month period ended 30 November 2017 £'000	Year ended 31 July 2016 (Restated) £'000
Revenue	3	-	567
Cost of sales		-	(160)
Gross (loss)/profit		-	407
Administrative expenses		18	(472)
Operating profit/(loss)		18	(65)
Finance income	7	-	1
Profit/(loss) before taxation	4	18	(64)
Taxation	8	-	-
Profit/(loss) after taxation	4	18	(64)
Other comprehensive income		-	-
Retained profit/(loss) for the financial period		18	(64)

The notes on pages 11 to 16 form an integral part of the financial statements.

Statement of financial position

At 30 November 2017

	Note	30 November 2017	31 July 2016 (Restated)	1 August 2015 (Restated)
		£'000	£'000	£'000
Current assets				
Trade and other receivables	9	12	11	102
Cash and cash equivalents		29	25	84
Total current assets		<u>41</u>	<u>36</u>	<u>186</u>
Total assets		<u>41</u>	<u>36</u>	<u>186</u>
Current liabilities				
Trade and other payables	10	(1,852)	(1,865)	(1,951)
Total current liabilities		<u>(1,852)</u>	<u>(1,865)</u>	<u>(1,951)</u>
Total liabilities		<u>(1,852)</u>	<u>(1,865)</u>	<u>(1,951)</u>
Net liabilities		<u>(1,811)</u>	<u>(1,829)</u>	<u>(1,765)</u>
Shareholders' equity				
Share capital	11	-	-	-
Retained earnings		(1,811)	(1,829)	(1,765)
Total deficit		<u>(1,811)</u>	<u>(1,829)</u>	<u>(1,765)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 Chapter 5 of the Companies Act 2006.

These financial statements were approved by the board of Directors on 20 March 2018 and were signed on its behalf by:



Professor Andrea Nollent
Vice-Chancellor and CEO

Company registered number: 07933849

Statement of changes in equity for the period ended 30 November 2017

	Called up share capital £'000	Retained earnings £'000	Total Equity £'000
At 1 August 2015	-	(1,765)	(1,765)
Loss for the year	-	(64)	(64)
At 31 July 2016	-	(1,829)	(1,829)
Profit for the 16 month period	-	18	18
At 30 November 2017	-	(1,811)	(1,811)

Statement of cash flows for the period ended 30 November 2017

	30 November 2017 £'000	31 July 2016 £'000
Profit/(loss) for the period	18	(64)
Adjustments:		
Interest received	-	(1)
Operating profit/(loss)	<u>18</u>	<u>(65)</u>
(Increase)/decrease in debtors	(1)	91
(Decrease)/increase in creditors	(13)	(86)
Net cash flow from operating activities	<u>4</u>	<u>(60)</u>
Cash flows from investing activities		
Interest received	-	1
Net cash (out)/in flow from investing activities	<u>-</u>	<u>1</u>
Net increase/(decrease) in cash	4	(59)
Cash at 1 August	25	84
Cash at 30 November	<u><u>29</u></u>	<u><u>25</u></u>

Notes

(forming part of the financial statements)

1 Accounting policies

Legal Network Television is a private company limited by shares and incorporated, domiciled and registered in the United Kingdom. The registered number is 07933849 and the registered address is Braboeuf Manor, St Catherines, Guildford, Surrey, GU3 1HA.

The financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and the Companies Act 2006.

The Company's parent undertaking, L-J Holdco Limited includes the Company in its consolidated financial statements.

Basis of preparation

The financial statements are prepared on the historical cost basis. The company's financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000) except where indicated otherwise.

Transition to Adopted IFRSs

This is the first year in which the financial statements have been prepared in accordance with Adopted IFRS and consequently has applied IFRS 1, it previously reported in accordance with FRS 102. An explanation of how the transition to Adopted IFRSs has affected the reported financial position and financial performance of the company is provided in note 15. Comparatives have been restated where necessary for any changes in accounting policy.

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

Going concern

In April 2016 the directors took the decision to cease trading. As they do not intend to acquire a replacement trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

At 30 November 2017 the company had net current liabilities of £1,811k (2016: £1,829k) and had made a profit of £18k (2016: £64k loss) in the financial period. The company is reliant on the support of other group companies as a result of the way that the group is financed. Global University Systems B.V. 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.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

Trade and other receivables

Trade and other receivables are stated at cost less allowances made for doubtful receivables, which approximates fair value. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable.

Notes (continued)

1 Accounting policies (continued)

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 reporting date and the gains or losses on translation are included in the statement of comprehensive income.

Pensions

The company participated 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 statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Revenue

Revenue shown in the statement of comprehensive income represents amounts receivable in respect of quarterly and annual subscriptions invoiced, and is recognised on a straight line basis over the contract length.

Expenditure

Expenditure on both goods and services is recognised in the period that it is incurred. Where expenditure has been incurred but has not yet been invoiced for, the expenditure is accrued and a creditor for the relevant amount is recorded on the Statement of Financial Position. Where expenditure has been incurred but that expenditure relates to a later period, the expenditure is deferred and a debtor for the relevant amount is recorded in the Statement of Financial Position.

2 Significant judgements and accounting estimates

The following accounting estimates have been made, which have a significant risk of causing a material amount to the carrying amounts of assets and liabilities within the next financial year:

- a) The recoverable amount of debtors.
- b) The tax rate used for deferred tax liabilities (see note 8).

Notes (continued)

3 Revenue

All revenue is generated within the United Kingdom and relates to the principal activity and discontinued operations.

4 Expenses and auditor's remuneration

Discontinued operations

Included in profit/ (loss) is the following:

	31 July 2017	31 July 2016
	£'000	£'000
Auditors' remuneration:		
Audit of these financial statements	2	5

5 Remuneration of Directors

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

6 Staff numbers and costs

The average number of full time equivalent persons employed by the company during the period and up to the cessation of operations in April 2016, analysed by category, was as follows:

	Number of Employees 30 November 2017	Number of Employees 31 July 2016
Sales	-	1
Production	-	4
	-----	-----
	-	5
	=====	=====

The aggregate payroll costs of these persons were as follows:

	30 November 2017	31 July 2016
	£'000	£'000
Wages and salaries	-	254
Social security costs	-	25
Other pension costs	-	9
	-----	-----
	-	288
	=====	=====

The company was recharged £nil (2016: £288k of which £60k relate to termination of staff contracts) for staff costs by The University of Law.

7 Finance income

	30 November 2017	31 July 2016
	£'000	£'000
Bank interest	-	1
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Notes (continued)

8 Taxation

Current tax:

	16 months to 30 November 2017 £'000	12 months to 31 July 2016 £'000
Total tax per income statement	-	-

The charge for the period can be reconciled to the loss per the income statement as follows:

	16 months to 30 November 2017 £'000	12 months to 31 July 2016 £'000
Profit/ (loss) for the period - discontinued operations	18	(64)
Tax on profit/ (loss) at standard UK tax rate of 19.5% (2016: 20.0%)	3	(13)
<i>Effects of:</i>		
Movement in unrecognised deferred tax	(3)	-
Effects of Group relief	-	13
Tax charge for the period	-	-

Notes (continued)

9 Trade and other receivables

Current

	30 November 2017 £'000	31 July 2016 £'000
Trade receivables from third parties	3	-
Non trade receivables due from related parties	9	11
	<u>12</u>	<u>11</u>

10 Trade and other payables

Current

	30 November 2017 £'000	31 July 2016 £'000
Trade payables to third parties	14	20
Non trade payables due to related parties	1,836	1,840
Non trade payables and accrued expenses	2	5
	<u>1,852</u>	<u>1,865</u>

11 Share capital and reserves

Share capital

	30 November 2017 £	31 July 2016 £
<i>Allotted, called up and fully paid</i>		
10 Ordinary shares of £1 each	10	10
	<u>10</u>	<u>10</u>

12 Related party disclosures

Identity of related party with which the company has transacted:

Group subsidiaries:

The University of Law Limited
 College of Law Services Limited

Related party transactions:

	16 months to 30 November 2017 £'000	12 months to 31 July 2016 £'000
Management fees charged by group subsidiary	-	431

Notes (continued)

12 Related party disclosures (continued)

Related party balances:

	Payables outstanding 30 November 2017 £'000	Payables outstanding 31 July 2016 £'000	Receivables outstanding 30 November 2017 £'000	Receivables outstanding 31 July 2016 £'000
Group subsidiaries	1,836	1,840	9	11
	<u>1,836</u>	<u>1,840</u>	<u>9</u>	<u>11</u>

Related party balances relate to intercompany transactions and fund transfers.

Other related party transactions relate to recharges between the entities in respect of invoices settled on behalf of the other party.

13 Ultimate parent company

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

The company's ultimate parent undertaking is Global University Systems Holding B.V., a company incorporated in the Netherlands.

The group in which the results of the company were consolidated is that headed by L-J Holdco Limited. All the share capital of L-J Holdco Limited is owned by Lake International Limited, a member of a group of companies owned by Global University Systems B.V.

14 Contingent liabilities

At 30 November 2017, the company together with other group companies was guarantor of £311.7 million 8.000% Senior Secured Notes due 2020 issued by Lake Bridge International Plc, a subsidiary of Global University Systems Holding B.V. and a £15 million Revolving Credit Facility provided for a remaining period of two years by Nomura International Plc to Lake Bridge International Plc.

Subsequent to the reporting date the ultimate parent undertaking secured new credit facilities from HSBC, Bank of America Merrill Lynch, Citigroup, Goldman Sachs and BMO Capital Markets of £605 million. The financing consists of a £530 million senior secured loan facilities and a £75 million multi-currency RCF. The proceeds of the financing will be used to redeem in full the Lake Bridge International Plc Senior Secured Notes due 2020. The company together with other group companies is guarantor.

15 Transition to Adopted IFRS

The company has prepared its accounts in accordance with Adopted IFRS for the period ended 30 November 2017 as stated in note 1. The company previously applied FRS 102 and amounts reported in previous financial statements require no adjustments on transition to Adopted IFRS.